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# ***Daily Report***

## **China**

FBIS-CHI-89-063

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# Daily Report China

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## General

### Commentary Views Soviet Remarks on Cambodia *OW0404063989 Beijing in Japanese to Japan* 0930 GMT 3 Apr 89

[Commentary by Bangkok correspondent (Shu Sei): "The Soviet Union Cannot Be Allowed To Escape Responsibility for the Cambodia Problem"]

[Text] Soviet Deputy Minister of Foreign Affairs Rogachev, who attended the 45th annual meeting of the Economic and Social Commission for Asia and the Pacific [ESCAP], talked about the Cambodia problem during a press conference on 29 March. His remarks can be summed up in three points:

First, Deputy Minister Rogachev cleverly tried to avoid the responsibility the Soviet Union should properly assume in the Cambodia problem. He said that the USSR is not a leading actor but an onlooker. Furthermore, commenting on the expectation of the mass media in Bangkok that the Sino-Soviet summit in May will be helpful to the solution of the Cambodia question, he said that this is not realistic.

Second, Deputy Minister Rogachev stressed that while the Coalition Government of Democratic Kampuchea should be dissolved, the puppet regime in Phnom Penh should not even be touched.

Third, Rogachev passed the blame for the delay in the solution of the Cambodia issue from Vietnam's aggression onto Prince Sihanouk. The reason he gave was that Prince Sihanouk did not want to talk to Hun Sen to solve the problem.

Deputy Minister Rogachev's remarks on the Cambodia problem did not even touch on the schedule for the withdrawal of the Vietnamese invaders. He also did not bring up the USSR's role and influence.

Incidentally, Deputy Minister Rogachev's statement was orchestrated with Vietnamese Vice Foreign Minister Trang Quang Co, who was also present at the ESCAP meeting. This was nothing unusual. A Thai newspaper pointed out that Deputy Minister Rogachev repeated Vietnamese Foreign Minister Nguyen Co Thach's statement in Bangkok last month. During Foreign Minister Nguyen Co Thach's visit to Thailand last month, he had boasted that the international aspect of the Cambodia problem had been resolved and what was left was the settlement of the domestic aspect. He had stressed that as long as the problems within various sectors of Cambodia could be solved, Vietnam would withdraw from Cambodia by September of this year. Such ludicrous statements by Foreign Minister Nguyen Co Thach have been deluged with criticisms from both the government and the private sectors in Thailand, from Prime Minister Chatchai down to popular public opinion. In the end, he had to go back to Hanoi without gaining anything.

However, both Deputy Minister Rogachev's whitewashing statement and Foreign Minister Nguyen Co Thach's ludicrous remarks cannot cover up the reality of the Cambodia problem. From the historical facts of the past 10 years, everyone knows that the Heng Samrin regime in Phnom Penh was a product of the Vietnamese invaders and that the reason Vietnam could continue the dirty war for 10 years is that it had the support of the Soviet Union. Everyone has concluded that without Soviet support, the war would not have been viable. The Soviet Union cannot be allowed to escape its responsibility in the Cambodia problem. Everyone hopes that the Soviet Union will use its influence on Vietnam to force it to withdraw from Cambodia as early as possible.

### Bank Official Notes Creditors Role in Crisis *OW0304230689 Beijing XINHUA in English* 1835 GMT 3 Apr 89

[Text] Washington, April 3 (XINHUA)—A senior Chinese financial official today appealed to the creditor countries to "take a broad-minded attitude and share more responsibility" for the debt problem.

Qiu Qing, deputy governor of the People's Bank of China, China's central bank, issued the appeal at the two-day 32nd meeting of the interim committee of the board of governors of the International Monetary Fund (IMF), which opened this morning.

Qiu also urged major industrial nations to "promote the improvement of the international trade environment" so as to provide favorable conditions for the economic development and export expansion of the developing countries.

"At present it is all the more important to take necessary measures to reduce the debt burden of the debtor countries in order to give them breathing space," she told the meeting.

She expressed welcome to the new initiatives proposed by U.S. Treasury Secretary Nicholas Brady for resolving the debt problem.

She hoped that the IMF would play a "central role" in the international debt strategy.

Reviewing the world economic situation, she said major industrial countries should continue their structural reform, reinforce their policy coordination, and further correct their large imbalances to achieve sustained economic growth.

"Meanwhile, major industrial countries should also adopt effective measures, taking into full account the interests of the developing countries, to assist them in recovering and sustaining their economic development, thereby contributing to steady world economic growth," she said.



**IDA To Finance Increased Farm Production**  
*OW0404011489 Beijing XINHUA in English*  
0810 GMT 31 Mar 89

[Text] Washington, March 30 (XINHUA)—The International Development Association (IDA) today agreed to finance China's project on increasing agricultural production in Shaanxi Province with a credit of 106 million dollars.

The IDA, the World Bank concessionary lending affiliate, said in an announcement that the project, which aims at boosting farm production and the incomes of 180,000 farm families in Shaanxi, one of the country's poorest provinces, supports the government's objectives of making more efficient use of land and water resources, diversifying production and improving living standards in rural areas.

It includes investments in irrigation and other rural infrastructure and agricultural services in 39 counties.

The five-year project will increase production of wheat and other grains, oilseeds, cotton and cottonseed, vegetables and fruits, meat and poultry products.

The IDA credit is for 35 years, including 10 years of grace.

**WHO Assists Child Inoculation Program**  
*OW3103030689 Beijing XINHUA in English*  
1515 GMT 29 Mar 89

[Text] Beijing, March 29 (XINHUA)—Senior officials of the United Nations Children's Fund, the World Health Organization (WHO), and the Chinese Ministry of Public Health have announced that 85 percent of the children in China's 30 provinces, autonomous regions, and municipalities will be vaccinated for serious diseases including polio and measles by the end of 1989.

The conclusion is based on a survey made last year by experts from the two international organizations and the Ministry of Public Health: WHO made an intensive examination of the coverage rates of children's immunization at the provincial level.

According to the ministry's statistics on immunization, the death toll from four contagious diseases, measles, pertussis, diphtheria, and polio, has dropped to 481 children in 1988 from 12,475 [figures as received] in 1978.

China now plans to increase the coverage rate of children's immunization at the county level to 85 percent by 1990 and eradicate polio nationwide by 1995.

**Japan, U.S. Differ on FSX Bilateral Agreement**

**RENMIN RIBAO Cited on Controversy**

*OW2903131089 Beijing in Japanese to Japan*  
1430 GMT 27 Mar 89

[Text] Today's issue of RENMIN RIBAO, published in Beijing, carried a commentary by correspondent (Kyo Inbun) entitled: "The Controversy Concerning U.S.-Japan Joint Development of the Next Generation Fighter Plane." The essay explained that the U.S. Congress and Department of Commerce are strongly opposed to the U.S.-Japan joint development of fighters because this may help Japan to enter the aviation industry in which the United States has long occupied an absolute superior position.

According to correspondent (Kyo Inbun's) commentary, although the Reagan administration had signed an agreement with Japan in the second half of last year on the joint development of the next generation support fighter FSX, the U.S. Congress and Department of Commerce later began to express fierce opposition. After reporting that the Bush administration has stated that it will add stipulations on prohibiting the transfer of the technology of manufacturing fighter planes to the manufacturing of civilian aircraft and various other moves on the part of the United States, (Kyo) said that Japan is very irritated by the U.S. side's stubborn attitude and is demanding strict observance of the signed agreement from the United States.

Correspondent (Kyo Inbun) also noted that the United States has consistently urged and demanded that Japan increase its share of the burden of the defense of the Pacific region. The joint development of the FSX is a product of such thinking. Paradoxically, after protracted negotiations lasting 2 years, Japan signed the agreement under U.S. pressure. The reversal of the U.S. view is solely one of economic considerations. In numerous fields of technology, Japan has already become the major competitor to the United States. However, in the aviation industry, only Europe can compete with the United States at the moment. If Japan also becomes a competitor with the United States in this market in the future, then it will be unbearable for the United States. The debate on FSX reflects such concerns in the United States.

**Japan Criticizes U.S. on Delays**

*OW0404051089 Beijing XINHUA in English*  
1020 GMT 31 Mar 89

[Text] Tokyo, March 31 (XINHUA)—Japan criticized the United States today for not giving the final go-ahead to a bilateral agreement on the FSX, the joint development of Japan's next generation support fighter plane.

Japanese State Minister for Defense and Director General of the Defense Agency Kichiro Tazawa said he was dissatisfied with the United States, and could not understand why the country questioned the bilateral accord that had already been signed by the two countries.

Tazawa urged the United States to be more steady and act as a superpower, the KYODO NEWS SERVICE reported.

Japan and the United States reached an agreement last November to jointly develop and produce the FSX on the basis of the General Dynamics' F-16 fighter.

However, the administration of U.S. President George Bush said earlier this month that though it would like to keep the bilateral pact and carry out the project, it needed "certain clarifications" before a formal go-ahead could be given.

Japanese Deputy Defense Minister Seiki Nishihiro went to Washington and talked with senior U.S. Government officials in a bid to iron out the differences between the two countries, but after he returned from Washington yesterday he said that there were no substantial results on the project.

White House Spokesman Marlin Fitzwater said Wednesday in Washington that differences between Japan and the United States involved the amount of the U.S. share of the work, technology spin-offs and the conditions under which Japan would receive access to computer programs for controlling the plane's avionics and weapons systems.

The United States is insisting on a share of at least 40 percent of the work on both development and production, according to Japanese officials.

Tazawa said he does not accept the claim by the Bush administration that it does not understand the agreement signed by former Secretaries of Defense Caspar Weinberger and Frank Carlucci.

He urged James Baker, secretary of state of the United States, and Richard Cheney, secretary of defense, to speak louder in their support for the project.

**Commentator on U.S.-West European Relations**  
HK3103074689 Beijing RENMIN RIBAO in Chinese  
29 Mar 89 p 4

["International Outlook" column by Sai Bei (1049 0554): "An Episode That Has Attracted Attention"]

[Text] The spokesman for the Foreign Ministry of the Federal Republic of Germany (FRG) issued a statement on 25 March denying the rumor spreading in Brussels that the North Atlantic Treaty Organization (NATO) has reached an agreement on modernizing Europe's short-range missiles. The statement points out that the news is

unfounded. This episode indicates that the United States and the FRG not only have a divergence of opinion on the problem of modernizing the short-range missiles, but they are also divided over the policy toward the Soviet Union and the appraisal of the situation in Europe.

Since the United States and the Soviet Union reached an agreement on medium-range missiles, which has been put into effect, the United States has maintained that the Soviet Union remains a threat to Western Europe and insisted that the short-range missiles be modernized so as to act as a nuclear deterrent against the Soviet Union, strengthen NATO, and prevent Western Europe from developing a tendency of drifting away in the face of the Soviet Union's detente policy. However, the FRG objected, believing that the modernization of Europe's short-range missiles need not be placed on the agenda until 1992. The United States and the FRG have been at loggerheads over this issue for some time. At present U.S. President Bush is assessing U.S. foreign policies in an all-around way with his senior security advisers. Sino-U.S. relations, arms limitation talks, defense policy, and future demands on conventional and nuclear weapons are among the important subjects under review. The FRG's attitude has an important bearing on U.S. efforts to cook up new policies on these matters. It is not accidental that news of an agreement on the modernization of the short-range missiles is spreading from Brussels at this moment.

The reason for the FRG's insistence on its position can be clearly found in a report carried by THE WASHINGTON POST on 18 March. The report says, "as Bush's administration is placing U.S. foreign policies on the agenda, the FRG's Government under Chancellor Kohl is trying its best to carry out its policy toward the East European bloc." Clearly the FRG has its own plan for the East European bloc. To carry out this plan, the FRG has been more active in recent months in providing funds for the Soviet Union and the Eastern bloc in support of their reforms and in building closer relations with them. The FRG is behaving in a purposeful way.

But the West is worried that the FRG's strategy is not necessarily beneficial to the West even if it proves successful. They are afraid that if the FRG "is bent on playing a possible role in Middle Europe in the future," "it will sooner or later drift away from the West European union and play a vanguard role in a neutral Middle Europe bloc." Well-known American figures even pointed out that it is necessary to prevent the revival of the German Empire, which was all-powerful in Middle Europe before. Clearly if events go along this line, the United States will have to make a great change in its defense and foreign policies. It is possibly for this reason that the United States is eager to understand the FRG's position on the problem of modernizing the short-range missiles.

The remarks by Soviet Ambassador to Bonn Kvitsinskiy, which were quoted by THE WASHINGTON POST, merit our attention. He said that the Soviet Union is not



hoping that the FRG will withdraw from NATO for fear that members of the Warsaw Pact will follow its example. It seems that both the United States and the Soviet Union do not wish to have a turbulent Europe. They hold the same view that the military confrontation between NATO and the Warsaw Pact has relaxed but they refuse to thoroughly change the status quo.

However, with the relaxation of the international situation, the international politics and relations will never be left intact. For a considerably long period to come, the two blocs as well as their members will have to readjust and coordinate their policies and international relations respectively. In this process, it is not likely that the United States will see eye to eye with its allied countries on every issue as it did in the past. This undoubtedly will make it more difficult for the Bush administration to examine its foreign policies.

**BAN YUE TAN Sponsors World Forum**  
*OW1603083289 Beijing BAN YUE TAN in Chinese*  
*No 2, 25 Jan 89 pp 48-57*

["The General Trend of the Changing World Situation—The Third (and Last) Part of Excerpts of Speeches Made at a Forum Sponsored by This Journal on the International Situation"]

**[Text] Three Major Factors in Facilitating the Relaxation of World Tensions**

Wang Shu [3769 2992], director of the China Institute of International Studies and vice chairman of the National Committee for China-Pacific Economic Cooperation: A conspicuous feature of the changing world situation is that detente and dialogue have become a worldwide trend. This will not only bring about an unprecedented change in the balance of world power and international economic order but produce a profound influence on the politics, economics, science and technology, education, and even foreign and domestic policies of various countries.

I think there are three major factors that have helped to bring about such a change in the world situation:

First, both the United States and the Soviet Union have relatively declined, and a multipolar world is taking shape. The basic pattern in the world since World War II is the contention between the United States and the Soviet Union for world hegemony. However, the arms race and military confrontation between the two countries, which have not been able to overwhelm or break down either side, have landed them in an extremely difficult position politically and economically. Thus, their hegemonistic position has been shaken, and their influence on the international situation has been greatly weakened. At the same time, Japan, a defeated nation, has become a major economic power and creditor country; Federal Germany has also become a major economic power. In the present world economy, the United States'

dominant position after World War II has been replaced by the tripartite balance of the United States, Japan, and the European Economic Community. Politically, it will be increasingly impossible for the the United States and the Soviet Union to dominate the world as they did in the past.

Second, a new industrial, technological revolution, symbolized by microelectronics, new materials, and bioengineering is still in its infancy, but it has already shown its strong vitality. In the next 10 to 20 years, breakthroughs will be made one after another in some of the most advanced branches of science, and they will be used in production and daily life. Then, the productive forces will be raised to an unprecedented level, and fundamental changes will take place in social production and life. Many countries have noted that the development of high technology will greatly increase their national comprehensive strength and will determine their standing in the world in the next century. To this end, many countries, especially developed countries, have already begun an intense international competition to gain superiority in the most advanced branches of science and technology or at least not to lag behind others.

Meanwhile, the rapid transmission of information and the expanded range of such transmission will gradually bring the economies, production, trade, and finances of various countries into a complete network. No country can isolate its economy and science and technology from that of the world. This is why mutual influencing and interdependence among various countries are increasing and the integration and regionalization of the world economy are continuously developing. In the future, there will be a tendency toward competition, interdependence, and coordination.

Third, to keep abreast of the development of the situation, various countries in the world generally felt the need to carry out economic reform and readjustment to resolve the serious problems in their economic development and to create conditions conducive to new industrial and technological revolution. The Soviet Union has carried out reform for more than 3 years. This is a difficult and complicated task. However, reform meets the need of social development and is in keeping with the changing international situation. The country is making efforts to overcome resistance and remove obstacles and has made some progress in advancing reform. Obviously, the problems accumulated over the years cannot be resolved in a short time, and there may still be risks and undercurrents. The difficulties encountered by the United States in its economic readjustment are as big as those encountered by the Soviet Union. Its budget and trade deficits are as high as before, and hidden problems have kept surfacing. Japan, the EC, and other industrialized countries are also trying to readjust their economic and scientific-technological structures to eliminate the incompatible elements in order to gain the upper hand in the international economic competition when they enter the 21st century. Many of the Third

World countries are also trying to learn from their past and are in a wave of reform and readjustment. They are readjusting their economic system and structure in light of each country's actual condition to overcome the difficulties and revitalize their economies. Their goal is to catch up with the advanced countries or at least to prevent the gap from further widening. Naturally, they have encountered many difficulties. However, they are advancing step by step.

To sum up the above, it seems that the world will enter a considerably long period of detente. It is hard to say how long this period will be. It all depends on the development of the situation. I believe that while open strife will decline, veiled struggle will intensify. It is still a world of numerous contradictions. Under the new circumstances, there will still be fierce competition and races between various countries, and especially between the United States and the Soviet Union. New changes are taking place in the world. These changes will go far beyond people's traditional judgment and normal estimate.

#### The "Western Europe Pole" in the World Structure

Xia Zhimian [1115 3112 3094], deputy director of XINHUA NEWS AGENCY's International Department and its former chief correspondent in Bonn: Western analysts and journals believe that in addition to the United States and the Soviet Union, there are three other power centers in today's world, namely Japan, China, and West Europe. Japan has strong economic power, but only limited political influence and strength to participate in world affairs. As a large country and permanent member of the UN Security Council, China undoubtedly has huge political influence and strength in world affairs. However, its economic power is rather weak. Only West Europe can become another pole. It has strong economic and scientific-technological strength, as well as considerable political influence and strength in world affairs. Both Britain and France are permanent members of the UN Security Council.

After World War II, a world structure in which the East and West opposed each other and were respectively dominated by the Soviet Union and the United States took shape. Two political and military blocs—NATO and the Warsaw Pact—also came into being. At that time, West Europe was still in the stage of rehabilitation, politically and militarily. It had great fear of the Soviet Union, a huge monster on its side, and was looking to the other side of the Atlantic Ocean for military and political assistance. Under such circumstances, West Europe could not even act as a separate entity from the United States or the Soviet Union, let alone become another pole.

The historical changes in the more than 40 years since the war have brought about tremendous changes in the world situation. The trend of detente is becoming more and more significant. However, this new trend of detente not only provides Western Europe with an opportunity, but challenges it.

The improvement of U.S.-Soviet relations, the relaxation in the relations between the East and the West, Gorbachev's "new thinking" and the series of activities he undertook toward detente have provided Western Europe with an opportunity to improve its relations with the Soviet Union. The "warm feeling toward the Soviet Union" which appeared in Western Europe in October 1988 is a sharp contrast to the cold relations between the two sides during the past several years. West German Chancellor Kohl's visit to the Soviet Union ended the cooling period. The dialogue between British Prime Minister Margaret Thatcher and President Gorbachev yielded effective results, and France's adjustment of its policy toward the Soviet Union was even more notable.

The tide of reform whipped up in Eastern Europe and the Soviet readjustment of its policy toward Eastern Europe have created conditions for the restoration and development of the traditional relations between Western Europe and Eastern Europe.

On the basis of the U.S.-Soviet agreement, the United States must destroy its intermediate-range guided missiles in Western Europe, while there are also debates in the United States about the reduction of the U.S. defense burden in Western Europe. All this constitutes a challenge as well as an opportunity to Western Europe. The reason is: Although all this creates a sense of insecurity in Western Europe, it, nevertheless, forces Western Europe to seriously think about its own future, helps it raise its awareness for independence and self-reliance, and provides an opportunity for its own construction and development.

At the same time, the growth of the economic strength and the improvement of the relations between Eastern Europe and Western Europe may also cast a dark shadow on the relations between Western Europe and the United States. The European Economic Community, composed of 12 nations, has already become an economic group with a total population of 320 million, a gross output value similar to that of the United States and a total earning in foreign trade which greatly exceeds that of the United States. Either in terms of the total amount of direct investments abroad, gold and foreign exchange reserve, value of currency or in terms of financial claims, it poses a strong challenge to the United States. Let us take gold and foreign exchange reserves as an example: West Germany alone has exceeded the United States. As a monetary unit for international money reserve and a means of circulation, West Germany's mark has ranked second in the world's money market, only next to the U.S. dollar. The U.S. dollar, West Germany's mark and Japan's yen are gradually becoming the three legs of a tripod.

Under this kind of situation, Western Europe is gradually becoming a force relatively independent of the United States. The signs are as follows:

1. Western Europe has become an economic group completely independent of the United States. The various measures for unification such as the mass market for 1992, alliance of currencies, and so on will be implemented one after another. The economic friction between the United States and Western Europe will become more and more heated with each passing day.

2. Western European nations are devoted to building a political alliance and working hard to speak with one voice in world affairs. A good example is: Western Europe is gradually working out a policy which differs from that of the United States in dealing with the Soviet Union. It attaches importance to detente, disarmament, and economic cooperation. After the negotiations between the United States and the Soviet Union on the intermediate-range guided missiles broke down in 1983, the Western European nations tried their best to relax the tension in the U.S.-Soviet cold war. Right now, Western Europe approves Gorbachev's reform more enthusiastically than the United States, and it is even more enthusiastic than the United States in extending loans to the Soviet Union. This is good proof.

3. Western Europe is trying to develop a military alliance, and gradually become less dependent on the United States for its military protection. The revival and expansion of the Western European alliance and the establishment of a France-West Germany "combined brigade" are clear signs in this connection.

The role of Western Europe is also significant in developing a multipolar world and in helping the United States and the Soviet Union plan their strategies. Therefore, the role of Western Europe will greatly affect the United States and the Soviet Union in working out their policies, especially the United States. Naturally, Western Europe has not developed to the point of sitting as equals at the same table with the United States and the Soviet Union both politically and militarily.

The fact that Western Europe is becoming a powerful group in the world will help stabilize the situation in Europe and in the world. Naturally we should also realize that this kind of development in Western Europe toward independence is relatively slow. As long as the pattern that both sides of the Atlantic Ocean join their efforts to deal with the Soviet Union remains unchanged, it is not likely that there will be significant changes in the relations of strategic alliance between Western Europe and the United States.

#### The Dawn of Peace Emerges in West Asia and Africa

Qin Dianjie [4440 3013 2638], member of the Editorial Committee of XINHUA NEWS AGENCY's International Department and chief editor of XINHUA NEWS AGENCY: In 1988, influenced by the relaxation of international tension, the situation in West Asia and the

African continent underwent a major change. The results of dialogue and reconciliation attracted much attention from the world community.

First, both Iran and Iraq unanimously accepted Resolution 598 of the UN Security Council, thus ending the 8-year-long war. At present, Iran and Iraq are holding peace talks on mutual troop withdrawal and exchanging POW's. The two countries have begun efforts to heal the wounds of war and to start the work of national reconstruction.

Second, the state of Palestine, whose founding was proclaimed not long ago, has drawn up a new strategic policy. This has greatly speeded up the peace process in the Middle East. While in Geneva, Chairman Arafat presented a three-point peace proposal on 14 December last year, declaring the following statement in explicit terms: Palestine accepts the UN Security Council's Resolution 242 and Resolution 338 on the Palestinian question; Palestine recognizes the right of Israel to exist as a state in the Middle East; Palestine shall abandon all forms of terrorism. This change by the PLO is no small matter; it is a major break from its strategic policy, thereby changing the two fundamental objectives stated in the "National Constitution of Palestine" in July 1968: First, it is "necessary to expel Zionism from the soil of Palestine"; second, "the administration of Palestine by dividing it up and the founding of Israel in 1947 are totally illegal." The change is the result of a major concession made by Palestine in an effort to seek peace for the Middle East in line with reality. The move has been universally welcomed by the world community.

Third, the call for an international peace conference in the Middle East is mounting, and this year will be a crucial year. At present, more than 80 countries have recognized the state of Palestine.

However, Israel, unscrupulously protected and supported by the United States, has remained very stubborn. The newly formed cabinet of the Shamir administration has refused to change its "three no's" policy—"not to recognize the PLO, not to hold talks with the PLO, and not to withdraw from the occupied territories." This policy seriously hampers the peace process in the Middle East. An official dialogue between the United States and the PLO in Tunisia's capital at the end of last year signified a major change in the U.S. Middle East policy, but the United States has not yet recognized the state of Palestine.

It seems that unrelenting efforts by various countries are needed to eliminate the obstacles impeding the peace process in the Middle East. In Africa the results of reconciliation and relaxation of tension were most prominent in 1988. Major breakthroughs were made in the Western Sahara dispute in northern Africa, the trouble in southern Africa, the Chadian war in central Africa,



and the dispute between Ethiopia and Somalia in eastern Africa. Peace was realized, and intense confrontation was eliminated through peace negotiations.

The dispute over Western Sahara has continued for 15 years. It once drove the OAU to the brink of division. On 30 August last year, the disputing parties—Morocco and the Popular Front for the Liberation of Saguia el-Hamra and Rio de Oro [Polisario]—indicated that they would accept the peace initiative presented by the UN secretary general. After achieving a cease-fire, they also agreed to hold a plebiscite under UN supervision to determine whether Western Sahara should be independent or merged with Morocco. Algeria and Morocco, which had been at odds for 12 years over this matter, resumed diplomatic relations on 17 May after the two nations buried the hatchet and shook hands.

Chad and Libya resorted to arms over the sovereignty of the Aozou region. Relations between the two countries were once very tense. With patient mediation from the OAU, the two sides achieved a cease-fire after holding several peace talks. Libya recognized the Habre regime in May last year. In October of the same year the two countries resumed diplomatic relations. The two sides agreed to solve the Aozou dispute through peaceful negotiations and consultations and not to resort to arms.

Somalia and Ethiopia have fought nearly 10 years of war over control of the Ogaden region. On 3 April last year, the two sides turned hostility into friendship and signed an agreement on normalization of relations. The two countries have disengaged their armies, exchanged POW's, exchanged ambassadors, and agreed to solve the Ogaden issue through dialogue and consultations. The two countries now maintain friendly relations and live in peace.

What attracted the attention of the world community even more was the four-party conference between Angola, Cuba, South Africa, and the United States to deal with the "hot spots" in southern Africa under the background of detente. The conference resulted in the official signing of an agreement on peace in Southwest Africa. The agreement stipulates that beginning on 1 April this year, Cuba will withdraw its 50,000 troops in Angola in stages over 27 months, that the UN Security Council Resolution 435 on the independence of Namibia will be implemented starting on 1 April, and that South Africa will withdraw all its 30,000 troops in Namibia, thus ending its administration of Namibia. At the same time, Namibia's independence will be realized through general elections under UN supervision.

Southwest Africa has been a turbulent hot spot area. The signing of an agreement, the realization of a cease-fire, and the gradual withdrawal of foreign troops have created a good environment for peace and development for all of southern Africa.

### The Eight Major Trends of the Contemporary World

Min Fanlu [7036 0416 6424], senior editor of XINHUA NEWS AGENCY and chief editor of BAN YUE TAN: The Editorial Department has invited a few experts on international issues to a forum to freely discuss the world situation and to look into the future. They exchanged views freely. Their remarks, supported by facts and reasons, can help readers understand the major trends of the development of the world situation. I would like to avail myself of this opportunity to discuss the eight major trends of the contemporary world.

After many years of cold wars and hot wars and tension and turbulence, people have begun to feel relieved following the emergence of an atmosphere of detente in the world.

After deliberating on the origin of the detente and the trends of the future, I feel that in our contemporary world there are eight major trends, surging and intertwined, relating to and acting on each other, worthy of our attention and study.

The first trend is the end of the era of polarization and the multipolar patterns of strategy. The bipolar pattern of the United States and the Soviet Union that has been held together for many years since World War II has disintegrated. The two powers have been made feeble by years of a large-scale arms race. As a result, their capacity to control the world situation has notably declined, and their dominant position is being gradually lost. At the same time, Japan in the East and Western Europe in the West have increased their strength by seizing the opportunity. The economic strength of the EC is no longer the same; it is about the same as that of the United States. Japan's GNP is very aggressive; it is now roughly two-thirds that of the United States. China and the Third World are on the rise. Various countries have enhanced their awareness of independence. No country is willing to submit itself to the will of big powers. Nuclear saturation and nuclear balance have made it hard for nuclear war to become a means of solving disputes. Small countries are no longer very much interested in seeking nuclear protection. As a result, multipolarization of the world's pattern of strategy has emerged. This is favorable to world peace.

The second trend is the increase in mutual dependence and the internationalization of economic development. Interrelations and interdependence among countries of the world have increased unprecedentedly in our contemporary world. The resources, capital, technology, and labor of a country have to depend on the world market. The trend of the internationalization of production is rising stronger than ever because of the influence of the new technological revolution. China, the Soviet Union, and the East European countries have one after another adopted an open policy. Nobody wants to exclude himself from the world economic circle, and it would be virtually impossible to do so. A number of influential

economic groups are taking shape. In Europe, the great European integrated Common Market will be established in 1992, making Europe a land with no state boundaries. The U.S.-Canada group, the Pacific Economic and Trade group, and the integration of Latin America are being deliberated, formed, and developed. The economies of various countries are strongly entwined. A change in the world economic situation concerns every country.

The third trend is the priority of national interests and fierce economic competition. Following on the heels of the internationalization of the world economy and the forming of economic groups is fierce economic competition. Everyone wants to place first in the world economic competition, and nobody wants to lose. National interests are, of course, given priority in the competition. Barriers of customs duties and trade protectionism are bound to emerge among countries and groups. The U.S. Comprehensive Trade Act, which smells of strong trade protectionism, has already been passed. Europe's future big integrated market has laid down the principle of allowing "free trade within" while pushing "trade protectionism against outsiders." Economic friction and trade wars between the United States and Japan, between Japan and Western Europe, and between the developed countries and the developing countries have occurred and continue to occur. Only the best survive. No country can avoid this fierce competition, a competition devoid of swords and yet of life-and-death importance.

The fourth trend is to keep pace with the changes in the situation and carry out global adjustments and reforms. The tide in carrying out adjustments and reforms is sweeping across the entire world. All countries, big or small, developed or developing, socialist or capitalist, are carrying out adjustments and reforms without any exception to keep up with the changes in the development of the current economic and political situation in the world. The Soviet Union, Eastern Europe, China, and other socialist nations are looking for new ways to change the outmoded, ossified system. The Western capitalist countries are adjusting their structure of production and trying to meet the requirements in the new technical revolution. In order to extricate themselves from their predicament, various Asian, Latin American, and African nations are summing up their experiences in adjusting their strategies for economic development. Although the situations in various countries may differ, they share a common goal. That goal is to keep pace with the changing situation, develop each nation's own economy and look forward to future competitions. In the era of this great change, time is irreplaceable. Whoever succeeds in carrying out adjustments and reforms first will do well in meeting the competition.

The fifth trend is to pay attention to competitions in the future, and further develop science and technology. The world has entered the era of high technology. The ongoing new technical revolution is heralded by the development of high technology. Technology in microelectronics, bioengineering, the development of new materials,

and other forms of high technology will bring about unexpected changes to the people's mode of life and production and to their ideas and concepts. All large countries are working out and implementing their own plans for the development of high technology. The United States has "SDI." Western Europe has the "Eureka Plan." Japan has the "Outline for Scientific and Technological Policies." The Soviet Union and Eastern Europe have the "Comprehensive Outline for Scientific and Technological Progress." China has the "Torch Plan." In readjusting the pattern of production, the Western developed countries give top priority to developing high technology. The "Zhaoyang industry [2600 7122 1562 2814]" for the vigorous development of high technology has yielded tremendous economic results. People have realized that only by developing high technology can a nation get ahead in a contest of national strength.

The sixth trend is that conflicts still exist, while diplomacy on the basis of a nation's ideological stand is on the way out. Today at a time when economic and technological competitions become the focal point in handling the international relations, diplomacy with a strong ideological flavor is gradually playing a less important role. In the past, the struggle between the two systems and the conflicts in the field of ideology were important factors to be taken into consideration by major powers in maintaining international relations. One side clamors about opposing and guarding against communism, while the other side chants: Bury capitalism. Right now, opposing ideologies still exist, and struggles remain. However, they no longer stand high above everything else. Realistic factors have been added to handling foreign affairs in Western countries such as the United States. The Soviet Union has already expressed its desire to change its foreign policy based on a nation's ideological stand. China has already stated that it will not determine whether a nation is friendly or not on the basis of its social system. People have become even more realistic than ever before. It is precisely under this kind of situation that the two major groups—the Council for Mutual Economic Aid and the European Economic Community—which opposed each other for more than 30 years, have formally established ties. The United States and the Palestine Liberation Organization have begun to talk with each other. Hungary and South Korea have established diplomatic relations. More and more people have accepted the principles for peaceful coexistence.

The seventh trend is that economic development is unbalanced and the gap is growing between South and North. Since the beginning of the 1980's, the gap between South and North has become even wider. The economic situation in most of the Third World countries has further deteriorated because of protracted wars, policy mistakes, poor management, as well as the practice of the developed countries of blaming their troubles on others. The burden of debt is very heavy with the figure reaching as high as \$1,300 billion. The new technological revolution has made economic development even more unbalanced between South and North.



The combined total of the gross national product of the seven countries represented at the Western Summit Conference of Seven account for 60 percent of the world's total. The developing countries, which have two-thirds of the world's population, share only 19 percent of the world's total volume of export, a drop of another 28 percent as compared to 1980. In the early 1950's, per capita income in the developed countries was 20 times more than that of the poor countries. Now it is 46 times more. The Third World countries are the ones that bear the brunt of the harm caused by the Western countries' trade protectionism. If the trend of the growing gap between South and North continues for long, it not only will impede the development of world economy but may also turn into a serious political problem.

The eighth trend is that society shows progress and political democratization is taking hold in the countries. Democratization has become the trend of the world today. It is also needed for the modernization of society. China is pushing ahead with democratization. The Soviet Union is practicing the principle of "glasnost." In the Asian, African, and Latin American countries, regimes of dictatorship have fallen one after another. Haiti's Duvalier was overthrown. The Philippines' Marcos crumbled in a general election after holding power for 20 years. The military junta in Chile was defeated in a plebiscite. South Korea's Chon Tu-hwan is denounced by the people for his crimes of corruption. The spring wave of democratization is surging in every corner of the world. There is a growing desire among the people for participation in government and political affairs. The supervisory role played by public opinion is given considerable weight. The progress toward democratization is taking place along with the relaxation of tension in the political situation and the progress made in economics and science.

These eight trends are pushing the world toward further progress as well as more intense competition. We are now in a relatively tranquil period of detente. What confronts us now is an unprecedented opportunity as well as a severe challenge. At this juncture of the approaching end of a century and beginning of another, if we once again let the opportunity slip by us as we did in the 1970's, our future would be dreadful to contemplate. If we take part in the competition with an enterprising attitude instead of being reconciled to lagging behind the others, the future will belong to us.

Editor's note: The selected publication of excerpts of speeches made at the forum on the international situation sponsored by this journal ends with this issue. In the future, we will, when conditions merit, continue to publish special topical articles on the current situation in the form of "Talks on the International Situation" for our readers.

## Northeast Asia

### South Korean Dissident Pastor in DPRK, PRC

#### Kim Il-song Would Welcome No Tae-u

HK0404030789 Beijing RENMIN RIBAO in Chinese  
3 Apr 89 p 1

[XINHUA report: "Kim Il-song Welcomes a No Tae-u Visit to Pyongyang, Stating That National Reunification of Korea Should Be Realized Through the Form of Federal System"]

[Text] Pyongyang, 2 Apr (XINHUA)—On 1 April, DPRK President Kim Il-song stated that he welcomes a visit by South Korean President No Tae-u to Pyongyang.

The remarks were made by President Kim Il-song during a return visit to his residence of South Korean Rev. Mun Ik-hwan who is visiting Pyongyang. This was the first time that President Kim Il-song called No Tae-u "president."

President Kim Il-song said: His proposal contained in his New Year's message of greeting on inviting No Tae-u, Kim Dae-jung, president of the Party for Peace and Democracy, Kim Young-sam, president of the Reunification Democratic Party, Kim Jong-pil, president of the National Democratic Republican Party, and some democratic personages to visit Pyongyang is still valid. He added that he welcomes their visit whether they come together, or separately.

President Kim Il-song pointed out: National reunification of Korea should be realized through the form of a federal system. The federal country will become a united country of complete independence, neutrality and non-alignment.

Kim Il-song stressed: While easing political and military confrontation and tense relations between the South and the North, efforts should be made to solve economic, cultural and humanity problems such as mutual visits of separated family members, railway links between the South and the North, joint development of Kimkang Mountain, and so on. President Kim Il-song met with Rev. Mun Ik-hwan on 27 March.

#### Pastor Ends DPRK Visit

OW0304134089 Beijing XINHUA in English  
1243 GMT 3 Apr 89

[Text] Pyongyang, April 3 (XINHUA)—South Korea's Reverend Mun Ik-hwan left here today after winding up a nine-day visit to the Democratic People's Republic of Korea (DPRK).

Mun Ik-hwan, an advisor to the opposition United National Democratic Movement, arrived on March 25 and was received by Korean President Kim Il-song on March 27 to discuss the issue of reunifying the fatherland.

Mun's visit to Pyongyang was described by South Korean President No Tae-u as having "violated laws and denied the government's authority." No said reunification talks should be conducted through government-to-government channels.

But Mun said yesterday his Pyongyang visit will play a positive role for national reunification. In a joint statement issued by Mun, and Ho Tam, chairman of the Committee for the Peaceful Reunification of the Fatherland of the DPRK, Mun's visit was described as clearing up mistrust and hostility between the North and South, thus bringing vitality to the dialogues between them.

However South Korean authorities warned that Mun would be arrested on his return, while the DPRK countered that Mun's arrest would hurt relations between the North and South.

South Korean dissidents claimed Seoul authorities were using Mun's trip as an excuse to crack down on dissent and limit the growing number of anti-government protests.

Mun was seen off today at the airport by Ho Tam, and Chong Chun-ki, vice premier of the Administration Council, and leaders of political and religious groups.

#### **Arrives in Beijing**

HK0304135889 Hong Kong AFP in English  
1352 GMT 3 Apr 89

[Excerpt] Beijing, April 3 (AFP)—South Korean dissident pastor Mun Ik-Hwan, who has been threatened with arrest by the Seoul authorities for paying an unauthorised visit to the North, arrived here Monday from Pyongyang, a North Korean diplomat said.

Mr. Mun is scheduled to hold a press conference Tuesday on the problems of reunification of the Korean Peninsula and on a warning by South Korean officials that he would be arrested on his return to Seoul, the diplomat said, but did not say how long the pastor would be staying here.

(Pyongyang's official news agency said Mr. Mun left Monday after an unprecedented 10-day visit to North Korea.) [passage omitted]

#### **Holds Press Conference**

HK0404092289 Hong Kong AFP in English  
0917 GMT 4 Apr 89

[Text] Beijing, April 4 (AFP)—South Korean dissident Mun Ik-Hwan described his visit to Pyongyang as a great success and said Tuesday that it has triggered widescale debate on ways to achieve reunification between the Koreans.

Reverend Mun, 71, who arrived in Beijing Monday after an unprecedented 10-day visit to the North, told a press conference here that South Korean authorities had arrested his three sons while he was away.

(In Seoul, reports said that two of the Presbyterian minister's sons had been held for questioning on Sunday and the third on Monday in connection with their father's visit to Pyongyang. They were still under interrogation.)

"Discussions on the reunification in the South are open, it is the greatest achievement of my trip, a greater achievement than I expected," said Mr. Mun, the first prominent dissident from the South to travel to the communist North.

"I came to Beijing and listened to the news from home... I was glad to listen that there are many discussions and social opinions (on his trip and reunification)," he said.

Mr. Mun said his visit had been "a great success, greater than I expected, I'm happy about it."

"In only one week, without preliminary contacts, we signed a common statement, we have reached a broad agreement," he added in a reference to a joint statement issued in Pyongyang Sunday with North Korea's National Committee for Peaceful Reunification of the Fatherland.

South Korea on Monday slammed the nine-point statement as unworthy of study and accused the North of inviting Mr. Mun to Pyongyang to "use him for political operations against the South."

The joint statement supports North Korean President Kim Il-song's proposal of reunification through confederation of the two Koreas, which have been divided since the end of the Korean War in 1953.

He said the statement "shows the warm desire to make one national community, to become one country beyond the differences in (political) ideas and systems."

Mr. Mun said North Korea had softened its stand by its willingness to recognise South Korea as an independent nation.

"I got the answer that it can be acceptable after many mutual discussions," he said, in a reference to his meeting with the North Korean president.

Mr. Mun said he favoured first setting up a confederation formed by making the North and South autonomous provinces and added that Mr. Kim saw the confederation as a step towards full reunification of the Korean Peninsula.

He said he was optimistic about the future despite differences between the two countries, which he believed could give birth to a new type of society.

The pastor said he was not worried about possible arrest on his return to South Korea, but added that he hoped this would not happen as it would nullify his attempts at furthering dialogue between the North and South.

Mr. Mun has been arrested four times in the past for his renegade political views, according to friends.

The South Korean Government said on March 26, following an emergency cabinet meeting, that Mr. Mun would be prosecuted for violating the National Security Act. If convicted he could face a maximum jail term of 10 years.

"I have the feeling I have done what I should do," he said, adding that he hoped people in South Korea would understand why he went to the North "once the shock is removed."

Mr. Mun said he would next travel to Tokyo. He did not say when he would be going home, but he said he had telephoned his wife in South Korea on Monday and she had told him "there is nothing to worry about, come back with confidence."

#### **Mongolian Foreign Minister Visits Shanghai**

OW04002389 Shanghai City Service in Mandarin  
2300 GMT 1 Apr 89

[Text] Shanghai Vice Mayor Liu Zhenyuan met and feted Tserenpiliin Gombosuren, foreign minister of the Mongolian People's Republic, and his party at Xijiao Guest House last night.

Liu Zhenyuan extended warm welcome to the guests and briefed them on the city's economic development. Gombosuren expressed thanks for Shanghai's warm hospitality.

Yondongiyn Ochir, Mongolian ambassador to China, and Zhao Yunjun, director of the municipal Foreign Affairs Office, attended the meeting.

Foreign Minister Gombosuren and other Mongolian guests yesterday visited Shanghai Television Plant No. 1 and toured Yi Yuan.

#### **Japanese Delegation Mourns Nanjing Victims**

OW0304230789 Beijing XINHUA in English  
1557 GMT, 3 Apr 89

[Text] Nanjing, April 3 (XINHUA)—A Japanese delegation led by Kikuchi Yoshitaka held a commemoration ceremony and planted trees here today to mourn the Chinese victims of the Nanjing massacre.

The massacre took place in 1937, when Japanese invading forces seized the capital of the then Guomindang (Nationalist) government and some 300,000 Chinese residents and soldiers were killed.

During the ceremony at the Massacre Museum here this morning, the 83-year-old Yoshitaka presented a wreath for the victims and said, "Our trip to China is to apologize for Japanese crimes committed here. We're planting trees here to compensate for the harm we did to the Chinese people during the war."

He noted that the trees will make people remember "this evil war" and maintain friendship between Japan and China from generation to generation.

It is learned that in recent years the members of the delegation have presented China with some 40,000 saplings as gifts and planted more than 10,000 with their own hands.

The delegation includes monks, students and veteran soldiers.

#### **Stronger Business Ties With Japan Urged**

HK0304131789 Beijing CEI Database in English  
3 Apr 89

[Text] Beijing (CEI)—An official of the Ministry of Machine-Building and Electronics Industry has recently called for cooperation with Japanese business circles.

For many years, the official said, Japan had been China's major trading partner, taking first place among China's trading partners. However, in terms of machinery and electronic technology, Japan ranks third among China's importers. Japan's investment in China accounts for only 7 percent of the total and lags far behind the United States, the Federal Republic of Germany and Hong Kong. Due to "The Toshiba Incident," China has turned to the United States and Western Europe for many of its machinery and electronic imports.

According to statistics released by the China National Machinery and Equipment Import and Export Corporation, the import of machine tools from Japan has been declining year after year. In 1986, the corporation imported 120 machine tools from Japan, valued totally at 12.42 million U.S. dollars and 36 in 1987, valued at 10.83 million U.S. dollars. A marked drop occurred in 1988 with only 17 machine tools imported from Japan, valued at 3.98 million U.S. dollars.

The official hoped both sides could strengthen cooperation by taking advantage of Sino-Japanese friendship, cultural affinity and the short distance between the two countries.



### **Ningbo Product Fair Opens in Tokyo**

OW0404041489 Hangzhou Zhejiang Provincial Service  
in Mandarin 1000 GMT 28 Mar 89

[From the "Provincial Hookup" program]

[Text] The Ningbo City Export Commodities Fair opened on 27 March in the cherry-blossom capital of Japan, Tokyo. At the fair, (Chen Zheliang), vice mayor of Ningbo City, briefed the guests on Ningbo City's economic relations with Japan, and on the city's economic development since it opened its doors to the outside world.

Yang Zhenya, Chinese ambassador to Japan; (Masayuki Konno), president of the Japan Association for the Promotion of International Trade; and Chen Zheliang cut the ribbon to open the fair. Representatives of the Tokyo Overseas Chinese Association, the Ningbo Association in Japan, the Taiwan Provincial [words indistinct], and other overseas Chinese organizations, as well as people from all circles of Japan, totaling nearly 300, attended the opening ceremony.

A continual stream of people from Japanese economic and trade circles visited the fair on the afternoon of 27 March. By 5 pm, 120 visitors had discussed business with fair authorities, reaching business agreements totaling nearly \$2 million, and giving it a good start.

## **West Europe**

### **NPC Vice Chairman Meets Austrian Visitors**

OW0104115089 Beijing XINHUA in English  
0854 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—Ye Fei, vice-chairman of China's National People's Congress (NPC) Standing Committee, met here today a delegation from the council of the Austria-China Friendship Association.

The delegation is led by Dr. Friedrich Koenig, chairman of the parliamentary group of the Austrian People's Party in the National Council of Austria and vice-chairman of the Austria-China Friendship Association.

Arriving in Shenzhen March 19 at the invitation of the Chinese People's Association for Friendship With Foreign Countries, the delegation is here to learn about China's reform and opening.

Members of the delegation are mostly parliamentarians from the Socialist Party of Austria and the Austrian People's Party.

During the meeting, Ye Fei expressed appreciation of the Austria-China Friendship Association's contributions to the bilateral friendly relations.

Ye briefed the guests on the ongoing second session of the Seventh National People's Congress and the NPC's work.

The delegation members are interested in China's development and economic policy, Koenig said, adding that they have seen China's achievements in its reforms and hope China will continue to develop.

### **Finnish Parliamentary Delegation Arrives**

OW3103222789 Beijing XINHUA in English  
1511 GMT 31 Mar 89

[Text] Beijing, March 31 (XINHUA)—A delegation from the Economic Commission of the Finnish Parliament led by Reijo Lindoroos, chairman of the commission, arrived here this morning for an eight-day visit to China.

The delegation is here to learn about the role traditional Chinese medicine played in the medical and public health work and matters concerning legislation of traditional Chinese medicine and the integration of Chinese and Western medicines.

In the evening, Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress (NPC) and chairman of the committee of education, science, culture and public health of the NPC, met and gave a dinner for the 19-member delegation.

Zhou expressed his delight at the importance that Western countries such as Finland attached to traditional Chinese medicine. He said that China pays great attention to inheriting and carrying forward its traditional medicine.

He told the visitors that China has formulated laws to protect and promote the development of its traditional medicine, adding that more laws and regulations will be drawn up so as to establish a socialist legal system of public health with Chinese characteristics.

### **Meets NPC Vice-Chairman**

OW0104073789 Beijing XINHUA in English  
0644 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—Wang Wei, a member of the Chinese National People's Congress (NPC) Standing Committee and vice-chairman of the NPC Committee of Education, Science, Culture and Public Health, held talks with a delegation from the Economic Commission of the Finnish Parliament led by its Chairman Reijo Lindoroos here today.

Both sides briefed each other on their respective parliaments and public health in the two countries, hoping to increase exchanges and cooperation in these fields.

**PRC, FRG To Cooperate in Marine Research**

*OW3103141189 Beijing XINHUA in English  
0646 GMT 31 Mar 89*

[Text] Shanghai, March 31 (XINHUA)—China and the Federal Republic of Germany have announced they will cooperate in research on four major marine high-technologies.

This was decided today at the opening session of the joint committee for cooperation in marine technologies between China and Federal Germany.

One of the technologies involves the direct recovery and underwater conveyance of offshore petroleum and natural gas without traditional platforms. This technology can be used in the ocean at any depth and under any weather conditions.

The other three technologies cover the endo-break of hollow structure under high pressure from deepsea water, remote controlled scuba or submarine robots, and diving under high pressure, all of which are important marine technologies.

A lot of money and qualified manpower are needed for the research. The research and technology committee of the Federal German Government and the country's industrial circles have united to raise the funds. More than 20 well-known Federal German enterprises and universities, such as Siemens, have decided to join in the research.

Fifteen Chinese Government units and enterprises will also take part in the projects. They include the National Bureau of Oceanography, the State Science and Technology Commission, the State Education Commission, the Chinese Academy of Sciences and the General Offshore Oil Corporation.

A detailed five-to-eight-year program and a two-year implementation plan will be worked out at the current three-day Sino-German conference. The two resulting documents will be included in the agreement on scientific and technological cooperation between China and Federal Germany, which is due to be signed next month.

There is a long-term program (from 1987 to 1997) for cooperation in marine science and technology between China and Federal Germany. The cooperation in the four research projects marks the beginning of a new stage in cooperative relations between the two countries.

**Sino-German Training Center Set Up in Tianjin**

*OW0104205789 Beijing XINHUA in English  
1502 GMT 1 Apr 89*

[Text] Tianjin, April 1 (XINHUA)—A Sino-German industrial technology training center was recently set up in Tianjin.

Its first class for senior technicians began today.

The training center is the largest vocational education project between the Chinese Government and the Government of Federal Germany. It will train senior technicians for China's leading large and medium-sized industries.

Covering an area of 48,000 square meters and equipped with imported advanced teaching facilities, the center will hold five different classes.

The trainees will be skilled industrial workers and teachers engaged in vocational education, said Sun Baoyuan, the training center's chief.

According to Sun, 100 Chinese and German instructors will teach at the center.

Sun said that his center will learn from the experience of Federal German vocational education and adopt a parallel system at the center.

While concentrating on vocational education, the center will also maintain close relations with businesses in both China and Federal Germany, as well as Sino-German joint ventures, he said.

**Luxembourg Supports PRC Position on Tibet**

*OW0404090289 Beijing XINHUA in English  
0703 GMT 4 Apr 89*

[Text] Luxembourg, April 3 (XINHUA)—Luxembourg Prime Minister Jacques Santer declared today that Tibet is a part of China, and Luxembourg will never support separating Tibet from China.

Santer made the remarks at a meeting with Zhou Nan, deputy foreign minister of China, who briefed him on the nature of the Tibetan riots.

Zhou told the Luxembourg premier that China needed not only a peaceful international environment, but also a stable and unified domestic situation to continue its policy of opening to the outside world.

Zhou Nan, who arrived here on April 1, left here for Italy and Federal Germany this evening.

**Sino-Belgian Switchboard Project Approved**

*OW0404043789 Beijing XINHUA in English  
0217 GMT 4 Apr 89*

[Text] Shanghai, April 4 (XINHUA)—A Sino-Belgian project for the production of digital-controlled telephone switchboards got final approval from the state here today.



The 160-million-yuan project, with an annual capacity of producing switchboards for 300,000 telephones, was started on April 1, 1984 and went into operation on October 1, 1985. So far it has provided switchboards for 53 Chinese telephone offices.

Song Zhiyuan, vice-minister of posts and telecommunications, said the project would help speed up the modernization of China's telecommunications.

#### **Joint Venture To Be Set Up in Sweden**

HK3103035289 Beijing CHINA DAILY  
in English 31 Mar 89 p 2

[By staff reporter An Weihong]

[Text] An agreement was signed yesterday to set up a joint venture in Sweden between Chinese Consulting in Scandinavia AB (CCSAB), Shanghai Light Industrial Corporation and China Light Industrial Corporation for Foreign Economic and Technical Cooperation (CLIC-FETC).

Called China One AB, its aim is to promote economic and trade cooperation between China and Nordic countries, especially in light industry, said Jimmi Liu, director of CCSAB.

Established in China in 1978, CCSAB is one of the biggest Swedish agencies representing Scandinavian companies on the mainland.

Total investment for the joint venture company, based in the city of Gothenburg, is \$500,000 with 60 percent from the Swedish company.

A trading and consulting company, China One AB will export Chinese products made with customer-supplied designs and labels, and import to China Scandinavian advanced technology, equipment, raw materials and spare parts, which will help to improve product quality and raise the competitiveness of Chinese commodities.

The company will promote compensation trade, and processing and assembly mainly in Shanghai with materials or samples provided by the clients.

#### **Song Ping, Delegation Depart Portugal for Home**

OW0104114889 Beijing XINHUA in English  
0847 GMT 1 Apr 89

[Text] Lisbon, March 31 (XINHUA)—The Chinese Communist Party (CPC) delegation headed by Politburo member Song Ping left here today for home after a five-day visit.

In the talks between the Chinese delegation and Alvaro Cunhal, general secretary of the Central Committee of Communist Party of Portugal (CPP), the two sides stressed that relations between the two parties should be strengthened so as to further promote good cooperation between the two countries.

Portuguese President Mario Soares said in his meeting with the delegation yesterday that Portugal wishes to maintain the long-standing friendly relations with China.

Song spoke highly of Soares' consistent policy towards China which cherishes its cooperation with Portugal in the political, economic, and cultural fields. The Chinese delegation came on March 27 at the invitation of the CPP.

#### **Arrive in Beijing**

OW0404043589 Beijing XINHUA in English  
0216 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—The Chinese Communist Party (CPC) delegation returned here this morning after attending the 18th congress of the Communist Party of Italy.

Led by Song Ping, member of the Political Bureau of the CPC Central Committee, the delegation also visited San Marino and Portugal at the invitation of the Communist Party of San Marino and the Communist Party of Portugal.

The delegation was greeted at the airport by Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

## Political & Social

### 7th National People's Congress' 2d Session Ends

#### Leaders Attend Closing Session

OW0404135689 Beijing Television Service in Mandarin  
1100 GMT 4 Apr 89

[From the "National Hookup" program]

[Text] The last plenary meeting of the 16-day Second Session of the Seventh NPC took place at the Great Hall of the People this afternoon.

The chairmen of the meeting were Wan Li, Xi Zhongxun, Peng Chong, Wei Guoqing, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Azezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin, executive chairmen of the presidium of the session.

Zhao Ziyang, Yang Shangkun, Li Peng, Li Xiannian, Qiao Shi, Hu Qili, Yao Yilin, and Wang Zhen were present at the closing session.

Wan Li chaired the session.

[Begin Wan Li recording] The number of deputies who should be present here at this Second Session of the Seventh NPC today should be 2,967; 279 deputies are on leave; and 2,688 deputies are present, forming a quorum. In accordance with the NPC Organic Law, the presidium has decided that the motions presented at this session will be voted on by a show of hands. [end recording]

The meeting adopted the Resolution on the Government Work Report. The resolution notes: The meeting maintains that, thanks to the joint efforts of all local people's governments and people of all nationalities across the country, new headway has been made in all projects in the country. In the spirit of seeking truth from facts, the report acknowledges the successes that have been accomplished and points out the problems and difficulties ahead. It analyzes the errors that have been made in our work and outlines the objectives in improving the economic environment, rectifying the economic order, and strengthening reform; as well as the plans for achieving these objectives. The missions set forth in the report are formidable, yet achievable through hard work. The meeting decides to approve the report.

The meeting maintains: The work of improving the economic environment, rectifying the economic order, and strengthening reform is at a critical stage. The State Council and all local people's governments must fully realize that improving the economic environment and rectifying the economic order is a complex and difficult task. They must attach great importance to deputies' criticism and suggestions, continue to sum up experiences and lessons, and adopt practical and effective

measures to solve the problems that people are concerned with: problems concerning inflation, commodity prices, agriculture, education, planned parenthood, public order, and administrative cleanliness. Efforts should be made to make decisionmaking more democratic and scientific, intensify macroscopic control, strictly execute laws and discipline, strictly enforce all laws and orders, and combat overeagerness for achievement in economic construction so as to ensure long-term economic stability and coordinated development. While promoting socialist material construction, great efforts should be made to promote socialist spiritual construction, intensify and improve ideological and political work, and firmly educate citizens on patriotism, collectivism, and socialism and the need to carry forward the glorious traditions of carrying out arduous struggle and building the country through diligence and thrift to arouse the national spirit and push forward the magnificent four modernizations.

The meeting maintains: The Chinese Government's proposal for establishing a new international political order on the basis of the five principles for peaceful coexistence is completely correct. China has never interfered in the internal affairs of any other country, and it opposes any other country's interference in China's internal affairs in any form or on any pretext. The Chinese people will never accept the pressure some foreign parliamentarians have imposed on China by using the so-called human rights issues.

The meeting calls on people of all nationalities throughout the country to unite as one and, under the CPC leadership, work with one heart and one soul and pool their wisdom and efforts to maintain social stability and work hard to accomplish the mission of improving the economic environment, rectifying the economic order, and strengthening reform.

The meeting adopted a resolution to approve the State Council's 1989 National Economic and Social Development Plan, and Vice Premier Yao Yilin's report on the draft of the plan; and approved the State Council's 1989 State Budget and State Councillor Wang Bingqian's draft report on the execution of the 1988 state budget, and the 1989 state budget.

[Begin Wan Li recording] The fourth agenda is to approve the Law Committee's report on examining the PRC Administrative Litigation Law and the draft of its revised version. After approval by [words indistinct] meeting, it was examined by various delegations. Now let us put it to a vote. Those who are in favor please raise your hands. [pause] You may lower your hands. Those who are against please raise your hands. [pause] There are three against. Those who abstain please raise your hands. [pause] There are 23 abstentions. The report is approved [applause].

The fifth agenda is to approve the Law Committee's report on examining the PRC Rules of NPC Procedure, and the draft of its revised version. After approval by

[words indistinct] meeting, it was examined by various delegations. Now let us put it to a vote. Those who are in favor please raise your hands. [pause] You may lower your hands. Those who are against please raise your hands. [pause] No one is against. Those who abstain please raise your hands [pause]. There are 14 abstentions. The report is approved. [applause] [End Wan Li recording]

While approving the decision concerning the State Council's request to examine the motion of authorizing Shenzhen to draw up the Shenzhen Special Economic Zone Regulations, deputy Huang Jinxing took the floor to express his opposition. The draft decision was approved with 1609 votes for, 274 votes against, and 805 abstentions.

The decision concerning Shenzhen says: After authorizing the NPC Standing Committee to elect according to law the Shenzhen Municipal People's Congress and its Standing Committee, a relevant decision will be made regarding the examination of the aforementioned motion submitted by the State Council. [sentence as heard]

The meeting approved the resolution concerning the work report of the NPC Standing Committee; the resolution concerning the work report of the Supreme People's Court; and the resolution concerning the work report of the Supreme Procuratorate.

[Begin Wan Li recording] Now I declare the closing of the Second Session of the Seventh NPC. Please stand. Play the national anthem. [PRC national anthem is played] [end recording]

The Second Session of the Seventh NPC closed amid the strains of the national anthem. Unity of people of all nationalities is essential for national stability, and hard work of all the people in the country is essential for national prosperity. Along this main theme, the Second Session of the Seventh NPC acknowledged the nation's successes, pointed out its problems, analyzed the errors, and set a clear direction. The meeting was a democratic and truth-seeking meeting. It was a meeting of unity and one to rally the people to press forward. Carrying with them the hopes of the people they represent, the NPC deputies, totalling more than 2,000, converged in Beijing; and now, carrying with them the historical mission, they are going back home to work hard to accomplish the mission of improving the economic environment, rectifying the economic order, and strengthening reform.

#### Work Report Resolution Approved

OW0404133789 Beijing Domestic Service in Mandarin  
1030 GMT 4 Apr 89

["Resolution of the Second Session of the Seventh National People's Congress on the Work of the Government" approved by the session on 4 April 1989; from the "National Hookup" program]

[Text] The Second Session of the Seventh National People's Congress seriously examined the report on the work of the government, entitled "Resolutely Implement

the Policy of Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform," delivered by Premier Li Peng on behalf of the State Council.

The session maintains: In the past year, through the common efforts of the people's governments at all levels and the people of all nationalities throughout the country, our country has achieved new progress in all fields. The report realistically affirms achievements scored, points out problems and difficulties confronting the country, analyzes errors in government work, and sets forth goals and plans for further improving the economic environment, rectifying the economic order, and strengthening the reform. The tasks set forth in the report are difficult, but they can be accomplished through hard work.

The session has decided to approve the report.

The session maintains: The work to improve the economic environment, rectify the economic order, and strengthen the reform is a critical stage. The State Council and local people's governments at various levels must fully understand that the work of improving the economic environment and rectifying the economic order is complex and onerous. They must attach importance to the deputies' criticisms and suggestions and take further steps to seriously review experience and lessons and take effective measures to satisfactorily resolve the questions of general concern to the people, such as inflation, commodity prices, agriculture, education, family planning, public security, and the building of clean government. They must strive to make decisionmaking more democratic and scientific, strengthen macromanagement, strictly enforce the law and discipline, strictly enforce order and prohibitions, and overcome an overeagerness to achieve fast results in economic construction, to ensure a steady, balanced, long-term development of the national economy. While carrying out the building of socialist material civilization, they must make vigorous efforts to build socialist spiritual civilization, strengthen and improve ideological-political work, persistently carry out education in patriotism, collectivism, and socialism among the citizens, carry forward the glorious tradition of building up the country through thrift and hard work, revitalize the national spirit, and advance the magnificent cause of socialist modernization.

The session maintains: Our government's proposal to establish a new international political order on the basis of the five principles of peaceful coexistence is entirely correct. China has never interfered and will never interfere in the internal affairs of other countries. It also opposes any interference in our country's internal affairs by other countries in any way and with any excuse. A handful of foreign parliamentary members has been exerting pressure on China on the so-called human rights issue. The Chinese people will absolutely not accept this.



The session calls on the people of all nationalities throughout the country to unite as one and, under the CPC leadership, work with one heart and one mind, pool their wisdom and strength to further safeguard the stable social environment, and work hard to accomplish the task of improving the economic environment, rectifying the economic order, and strengthening the reform.

#### Further on Approval

OW0404073589 Beijing XINHUA in English  
0720 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—The Second Session of the Seventh National People's Congress (NPC), China's parliament, adopted a resolution here today, approving Premier Li Peng's report on government work.

The Chinese premier delivered his report earlier at the opening ceremony of the current NPC session, which ends formally today after more than half a month of busy activities.

The report, the resolution says, reviews achievements scored in the past year, points out problems and difficulties confronting the country, analyses errors made by the government, and sets forth goals for the economic readjustment and continuing reforms as well as ways to attain the goals.

Assessments of errors and problems are all made in an honest and factual way, the resolution says.

The tasks set forth in the report are difficult, the resolution says, but they can be accomplished through hard work.

The resolution urges the State Council and governments at various levels to attach importance to NPC deputies' criticisms and suggestions and take effective measures to control inflation, contain price increases, develop agriculture and education, carry out the family planning program, maintain public security and eliminate corruption among government functionaries.

The government should strengthen macro management and overcome an over-eagerness to achieve fast results in economic construction and social development, so as to ensure a steady, long-term development of the national economy, the resolution says.

The resolution calls for the government to set great store by the elevation of socialist morality, promoting patriotism, collectivism and socialism among the people, and calling on the whole nation to carry forward the glorious tradition of building up the country through thrift and hard work.

The resolution confirms the correctness of the Chinese government's proposal to establish a new international political order on the basis of the five principles of peaceful coexistence.

The resolution reiterates that China has never interfered and will never interfere in the internal affairs of other countries. It also opposes any interference in China's internal affairs by other countries in any way and with any excuse.

A handful of foreigners has been exerting pressure on China on the so-called human rights issue, which is firmly opposed by the Chinese people, the resolution says.

#### Work Report Revised

OW0404075689 Beijing XINHUA in English  
0725 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—Chinese Premier Li Peng's report on government work has had a new version after being revised in accordance with the views and opinions of deputies to the National People's Congress (NPC), China's parliament.

Deputies to the current NPC session have spent almost half a month examining the original report and offering suggestions for its revision.

Altogether more than 120 changes have been made to the report as delivered.

The new version makes further elaborations on macro controls during the current economic readjustment and on education, socialist ethics and agricultural development.

In the section on improving economic environment and rectifying economic order, there is an addition of "the authority of laws and disciplines should be upheld."

On the elimination of extravagance and waste through thrift and hard work, the original report calls on "governments and departments at various levels and the broad masses of cadres, leading cadres in particular, to take the lead ..." The revised report has an addition: "beginning from the State Council."

In the section on removing market chaos and screening and overhauling companies is an addition—"relevant departments under the State Council should take the lead in doing a good job in this regard."

On strengthening and improving macro-economic controls and regulations, the revised report has an added statement, "attention should be made to ensure the stability and continuity of policies."

"Feasibility studies should be undertaken before major policies are made, so as to ensure that decisions be made in a scientific and democratic way," the new report says.

The revised report also adds that the State Council will, at the 40th anniversary of the founding of New China, convene a national meeting to cite model workers for the purposes of encouraging an emulation of pacesetters, instilling a new vitality into the drive of increasing production and practicing economy, and pushing the reform forward.

Many additions have been made in the section dealing with readjustment of the investment and industrial structures. One of them is, "a rational tilting policy for investment and reform of the current investment system will be carried out in accordance with the country's industrial policy, so as to channel investment to, and increase investment for, basic industries including energy, transport and raw materials industries."

Geological prospecting receives special attention in the new report.

On education, the revised report adds, "The State Council and governments at all levels should increase as much educational appropriations as possible through increasing revenues and saving expenditures in the course of implementing their budgetary plans."

Another addition says, "Management and auditing of educational funds should be tightened to avoid waste or embezzlement."

"Working for further cultural and ideological progress" is a part of the original report which has received most additions. One of them reads "to adhere to the four cardinal principles, give full play to political advantages and try hard to create a favorable and stable political and social environment."

Another addition says, "Governments at all levels must attach great importance to cultural and ideological progress and place it on top of their agendas."

Also added is a paragraph saying, under new conditions of reform and opening to the outside world, ideological and political work "must be strengthened and improved earnestly" and "to cultivate new generations espousing socialism, we should persist in promoting patriotism, collectivism, socialism, self-reliance and hard work as well as call on people to cherish revolutionary traditions and boost the spirit of national self-respect, self-striving and self-confidence."

The revised part also points out, "We should actively give publicity to fine deeds and outstanding people who dedicate themselves to the modernization and revitalization of the Chinese nation."

The revised report urges all localities and departments to pay attention to the welfare of the elderly, adding "The aging of the population has increasingly become a major problem in the Chinese society."

The revised report stresses, "Illegal business activities that cheat farmers must be resolutely dealt with" to ensure ample supplies for agricultural production.

#### Contents Added to Report

HK0404041789 Hong Kong WEN WEI PO  
in Chinese 4 Apr 89 p 2

["Special dispatch from Beijing" by WEN WEI PO  
Beijing-based reporters group: "New Contents Have  
Been Added to Li Peng's Report"]

[Text] Beijing, 3 Apr—Compared with the 20 March version, the government work report, which is submitted to the Second Session of the Seventh National People's Congress [NPC] today for a vote, has been supplied with some new contents. These are the results of additions, omissions, and revisions made by the relevant quarters in keeping with the deputies' views. The report will be put to the vote tomorrow.

The added contents are concentrated on the aspect of improving the economic environment and rectifying the economic order and the political aspect. In improvement and rectification, in the first part ("Wholeheartedly Carry Out Improvement and Rectification"), a sentence, namely, "in the course of implementation we did not persist in giving first priority to the stabilization of the economy," has been added to the paragraph on errors in work. This has obviously been done in response to the criticisms raised by some deputies. With regard to the policy of improvement and rectification, to the paragraph "control the credit scope, increase savings, and stabilize finance," the following words have been added, "this makes it necessary, while persisting in tightening up finance, to conscientiously resolve the problem by such measures as readjusting the credit structure." As many deputies are strongly dissatisfied with the current practice of eating, drinking, and traveling at public expense, in today's version, the words "but extravagance and waste are still very serious in numerous quarters and it is necessary to continuously pay close attention to its solution" have been added to the paragraph "reduce institutional purchasing power."

Examining and reorganizing all kinds of companies constitutes an important task in rectifying the economic order. NPC deputies also have many complaints about this. In today's version, it is stipulated in the third part ("Conscientiously Rectify the Economic Order, Especially the Circulation Order"): "On this question, all relevant departments of the State Council must take the lead in carrying out their work well."



Many of the NPC deputies coming from the rural areas have complaints about the fact that chemical fertilizer is unavailable to the peasants or that the peasants are forced to buy chemical fertilizer at high prices. In today's version of the government work report, the words "resolutely crack down on illegal operations and activities of cheating and harming the peasants" have been added to the portion of agriculture in the fourth part ("Conscientiously Readjust Economic Structure in the Course of Improvement and Rectification").

In the political aspect, because many deputies have raised at the current meeting, the question of making policy decisions in a democratic and scientific manner, in today's version, a paragraph has been added to the sixth part ("Closely Integrate Improvement and Rectification With the Deepening of Reform." The paragraph reads: "Attention should be paid to maintaining the stability and continuity of policies. Before taking a major policy decision, it is necessary to conduct demonstrations in numerous ways and efforts should be made to raise the level of making policy decisions in a democratic and scientific manner."

Meanwhile, the words "uphold the four cardinal principles" are added to the beginning of the eighth part ("Strive To Create a Favorable and Stable Social and Economic Environment").

In the government work report submitted to the full session today for a vote, two figures have also been corrected: 1) last year's cement output was 2.46 million tons (it was 0.24 million tons in the 20 March version); and 2) a total of 5,940 enterprises using foreign investments were approved last year but it was 5,896 enterprises in the original version.

#### **Administrative Procedure Law Adopted**

OW0404080889 Beijing XINHUA in English  
0737 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—The National People's Congress, the Chinese version of parliament, today passed a law that codifies the procedures for common people to sue officials and the government.

The Administrative Procedure Law, containing 11 chapters and 75 articles, is formulated in line with China's Constitution to ensure prompt and correct handling of administrative cases by the people's courts, protect the lawful rights and interests of citizens, legal persons and other organizations, and safeguard and supervise the exercise of administrative powers by administrative organs according to the law.

According to the new law which is to come into force as of October 1, 1990, a citizen, legal person or organization considering his or its lawful rights and interest have been infringed upon by a specific administrative act of an administrative organ or its personnel, has the right to bring a suit before a people's court.

The court exercises judicial power independently with respect to administrative cases, and is free from interference by any administrative organ, public organization or individual, the law says.

Parties to an administrative suit have equal legal positions, and mediation is not applicable to administrative cases, according to the law.

Apart from general and supplementary provisions, the law specifies the various aspects concerning the scope of accepting cases, jurisdiction, participants in proceedings, evidence, bringing a suit and accepting a case, trial and judgment, execution and liability for compensation for infringement of rights.

According to the law, the courts shall accept suits against any of the following eight administrative acts:

1. An administrative sanction, such as detention, fine, rescission of a permit or license, order to suspend production or business or confiscation of property which one refuses to accept;
2. A compulsory administrative measure such as restricting freedom of the person or the sealing up, seizing or freezing of property, which one refuses to accept;
3. Infringement upon one's managerial decision-making powers as provided for by law, which is considered to have perpetrated by an administrative organ or its personnel;
4. Refusal by an administrative organ to issue a permit or license, which one considers oneself legally qualified to apply for, or its failure to respond to the application;
5. Refusal by an administrative organ to perform its statutory duty of protecting one's rights of the person and of property, as one has applied for, or its failure to respond to the application;
6. Cases where an administrative organ is considered to have failed to issue a pension according to law;
7. Cases where an administrative organ is considered to have illegally demanded the performance of duties; and
8. Cases where an administrative organ is considered to have infringed upon other rights of the person and of property.

However, the law says, the courts shall not accept suits against any of the following matters:

1. State acts in areas like national defense and foreign affairs;
2. Administrative rules and regulations or decisions and orders with a wide binding force formulated and announced by administrative organs;
3. Decisions of an administrative organ on awards or punishments for its personnel or on the appointment or removal from office of its personnel; and
4. Specific administrative acts that shall, as provided for by law, be finally decided by an administrative organ.

The law is applicable to foreign nationals, stateless persons and foreign organizations that are engaged in administrative suits in the People's Republic of China, except as otherwise provided for by law. They shall have the same litigation rights and obligations as Chinese citizens and organizations.

Should the courts of a foreign country impose restrictions on the administrative litigation rights of the Chinese citizens and organizations, the Chinese courts shall follow the principle of reciprocity regarding the administrative litigation rights of the citizens and organizations of that foreign country.

If an international treaty concluded or acceded to by China contains provisions different from those found in this law, the provisions of the international treaty shall apply, unless the provisions are ones on which China has announced reservations.

In handling administrative cases, the courts shall apply the systems of collegiate panel, withdrawal of judicial personnel and public trial and a system whereby the second instance is the last instance. The parties concerned must perform the legally effective judgment or order of the court.

A citizen, legal person or organization shall have the right to claim compensation if damage is done because of the infringement upon his or its lawful rights and interests by a specific administrative act of an administrative organ or its personnel. And mediation may be applied in handling a claim for compensation.

In handling administrative cases in areas of autonomy by people of minority nationalities, the courts shall conduct adjudication in line with the local rules for national autonomy.

#### Further on Administrative Law

OW3103144289 Beijing XINHUA Domestic Service in Chinese 1530 GMT 30 Mar 89

["Local Broadcast News Service"]

[Text] Beijing, 30 Mar (XINHUA)—Deputies attending the Second Session of the Seventh NPC began to examine the draft Administrative Litigation Law. The deputies believed that formulation of the law has great significance in safeguarding the rights of the citizens, in restricting administrative organs from abusing their powers, and in ensuring that administrative organs exercise their administrative powers according to the law. They also believed that formulation of the law will contribute to ensuring administrative honesty.

Many deputies said that formulation of the law signifies that China is making an important forward step in improving its socialist legal system. They said that China

already has a civil proceedings law and a criminal proceedings law. The addition of an Administrative Litigation Law will make the present legal system more complete.

Deputy Li Jingxi said: Formulation of the Administrative Litigation Law puts these four characters in the flag [as received] for building a socialist democracy: "Common citizens are allowed to sue government officials." Having the people's courts handle administrative litigation cases means administrative powers are subject to the restriction of judicial powers. Administrative organs are given a wide range of administrative powers. If they do not act according to the law, they would end up abusing their administrative powers and infringing upon the lawful rights of the people.

To prevent the abuse of these powers, we must restrict powers with powers. Unrestricted powers are bound to result in corruption. This is an inevitable result of developing a country's systems. If administrative powers are overly stressed and the restriction of administrative powers by judicial powers ignored, we would be unable to prevent bureaucratism and abuse of power.

Deputy Duan Suquan, Dong Xuelin, Hou Zhixin, Huang Bingxin, and other deputies said: Formulation and enforcement of the Administrative Litigation Law is important and significant in ensuring that administrative organs exercise their powers according to the law, that they will work to improve their work style and efficiency, and that they will strive to do away with bureaucratism and corrupt practices.

Deputy Zou Erjun said: Formulation of the Administrative Litigation Law will play an important role in improving government work. Putting the government under the supervision of the Administrative Litigation Law can prevent administrative personnel from acting rough and irresponsibly, from imposing penalties on people arbitrarily, from putting labels on others wantonly, and from abusing their powers. The Administrative Litigation Law is also an effective weapon for improving government organs' work style, for fostering better relations between the party and the masses, and between cadres and the masses.

Deputy Li Jingxi said: After the Administrative Litigation Law is promulgated and enforced, the tasks of the People's Courts will be heavier and more arduous. Therefore, they must step up self-development, improve the trial quality, and exercise ruling power independently. These are indispensable conditions for the enforcement of the law. Our judicial system needs to be further reformed and improved in order to effectively protect the people from being impinged upon by inappropriate administrative acts.

Some deputies suggested that the Administrative Litigation Law should specify the people's procuratorates' legal supervision responsibilities in administrative litigation proceedings. Deputy Chen Juewan said: In a certain sense, the Administrative Litigation Law hands over the work on building a clean government and supervision of this work to the court. But, who is responsible for overseeing how the courts enforce the law? If the courts do not enforce the law honestly and fairly, citizens' rights and interests will also be impinged upon. Judging from the current social situation, it is quite common that the courts do not strictly enforce the law. People can sue administrative organs cadres if they are not honest. However, to whom should we complain if the courts are not honest? Chen Juewan said: It is necessary to specify clearly the people's procuratorates' legal supervision role in administrative litigation proceedings.

Deputy Tong Shubao said: The draft Administrative Litigation Law only stipulates that the people's procuratorates have the authority to legally supervise administrative litigation proceedings, but does not clearly define their authority and stipulate the procedures of supervision. This will create all kinds of problems in enforcing the law. He suggested that procuratorates' role in administrative litigation proceedings be clearly specified.

In examining the law, many deputies suggested that, to ensure that the Administrative Litigation Law is enforced smoothly, it is necessary to formulate some supporting laws and regulations. Deputy Liu Lanting said: The draft Administrative Litigation Law stipulates that those, who refuse to accept imposed administrative measures restricting personal freedom, may sue the organ that imposes such measures. This is a necessary provision that requires revision of regulations concerning education through labor, detention for questioning, and other matters.

Deputy Zheng Huiying and Han Yulin said: It is very important to change the people's traditional way of thinking with the enforcement of the Administrative Litigation Law. After the law is adopted by the NPC, we should widely publicize the law. It is especially important to let the people know what areas a common citizen is allowed to sue government officials. This enables the people to self-consciously use the law to protect their legal rights and interests.

#### Comments on Law

OW0304220789 Beijing XINHUA in English  
1430 GMT 31 Mar 89

[Text] Beijing, March 31 (XINHUA)—The formulation of the Administrative Litigation Law marks a new stage in China's effort to improve its legal system, said Liu Yiu-chu, deputy from Hong Kong to the National People's Congress (NPC).

Liu, a well-known Hong Kong lawyer, who is attending the current session of the Seventh NPC in the Chinese capital, also urged NPC deputies to support and supervise the enforcement of the law after it is adopted at the NPC session.

In a discussion with deputies from Guangdong Province, she said, "This law is designed to ensure that people supervise administrative organs' acts according to law through filing lawsuits. This will play an active role in safeguarding human rights and stepping up rule by law."

After the prospective law becomes effective, contradictions in the country's systems may be further revealed as it will exert an impact on old concepts, she noted.

Therefore, she urged all parties concerned to get prepared for what may arise from the enforcement of the law.

"Commoners can sue officials" should not be interpreted as "citizens may file lawsuits against anything," Liu Yiu-chu warned. For instance, if they are not satisfied with the country's system, policies or laws, that can not be resolved through the court.

"This must be made clear to the people so that they will not expect too much out of the new law," she added.

On the other hand, Liu noted, the administrative personnel, in performing their duties, must bear the laws and legal procedures in mind so as to avoid infringing on the rights to operation, personal safety and property as provided for in the Constitution and laws.

That is to say, administrative personnel should change their mentality and work style, from "safeguarding their own authority" into "performing duties faithfully according to law", she added.

She also expressed her appreciation of the detailed stipulation of the procedures in the draft law.

To help enforce the prospective law, Liu Yiu-chu suggested that the State Council should draw up a set of procedures for performing duties according to law.

#### Contents of NPC Procedure Rules Given

OW0404092989 Beijing XINHUA in English  
0809 GMT 4 Apr 89

["Main Content of Rules of Procedure for NPC"—XINHUA headline]

[Text] Beijing, April 4 (XINHUA)—The Rules of Procedure for the National People's Congress (NPC), China's parliament, has been adopted by the NPC current session here today.



The Rules of Procedure for the NPC has seven chapters and 54 articles, making stipulations on: convention of NPC sessions; submission and examination of bills; examination of the work report of the NPC Standing Committee; examination and approval of government's annual economic plan and budget; election, appointment, dismissal and resignation of government officials; and procedural rules for special investigation committees.

According to the rules, the NPC will hold its annual session in the first quarter. But a provisional meeting of the NPC can be convened when its Standing Committee thinks necessary or when more than one-fifth of the total number of NPC deputies so propose.

If necessary, the NPC may hold a closed session. Meanwhile, the NPC's Presidium can convene a general session of the NPC to hear speeches by deputies on certain bills and reports.

The rules stipulate that when an election is held or when nomination for a government post is put to a vote at an NPC general session, ballot booths shall be provided, the result of the election or vote announced on the spot by the person presiding over the session, and the number of votes received by a candidate made public.

During an NPC session, if a resignation is tendered by a member of the NPC Standing Committee, the state president or vice-president, a member of the State Council, a member of the Central Military Commission, the president of the Supreme People's Court, or the procurator-general of the Supreme People's Procuratorate, the Presidium of the NPC shall first forward the resignation to NPC delegations for deliberation before submitting it to a general NPC session for decision, the rules say.

If a resignation is tendered when the NPC is not in session, the NPC Council of Chairmen shall submit the resignation to a meeting of the NPC Standing Committee for deliberation and decision.

If the NPC Standing Committee accepts the resignation, it shall refer the resignation to the next NPC session for confirmation, the rules said.

When the NPC is not in session, should the office of the premier of the State Council, the chairman of the Central Military Commission, the president of the Supreme People's Court or the procurator-general of the Supreme People's Procuratorate becomes vacant, the NPC Standing Committee shall choose a person to act in his capacity respectively from among vice-premiers of the State Council, vice-chairmen of the central Military Commission, vice-presidents of the Supreme People's Court, or deputy procurators-general of the supreme People's procuratorate.

The rules stipulate that the NPC Presidium, three or more delegations or a group of at least one-tenth of the total number of deputies to the NPC may submit a

proposal for removal from office of a member of the NPC Standing Committee, the state president or vice-president, a member of the State Council, a member of the Central Military Commission, the president of the Supreme People's Court or the procurator-general of the Supreme People's Procuratorate.

The NPC Presidium shall refer the proposal to NPC delegations for deliberation before putting it to a vote at an NPC general session.

A removal-from-office proposal shall contain reasons for the removal and related materials.

The person proposed to be removed from office shall have the right to defend himself at a meeting of the NPC Presidium or a plenary meeting of the NPC session, or to present a written statement in his defence, which shall be printed by the Presidium for distribution at the session, the rules say.

The rules also stipulate that, during an NPC session, a delegation or a group of thirty or more deputies may submit a written proposal for putting questions to the State Council and the ministries or commissions under the State Council.

In order to strengthen supervision over the work of the government, the rules stipulate that once a plan for national economic and social development and a state budgetary plan have been approved by the NPC, any necessary readjustments of them must be examined and approved by the NPC Standing Committee.

When the NPC general session or its delegations are examining reports on government work, implementation of the plan for national economic and social development, and implementation of the state budgetary plan, the heads of the State Council and its departments should attend the meetings respectively to listen to their opinions and answer their questions.

NPC deputies shall not be held legally liable for their speeches made, or votes cast, at various NPC meetings.

The rules stipulate that, when necessary, the NPC may appoint committees for the investigation of specific questions.

#### Vote Counts for Resolutions Listed

OW0404094189 Beijing XINHUA in English  
0904 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—The Second Session of the Seventh National People's Congress (NPC), China's parliament, adopted nine resolutions, decisions and bills at its plenary meeting this afternoon.

A total of 2,688 deputies attended today's plenary meeting, and they expressed their pros and cons by shows of hands.

Vote counts for the nine resolutions, decisions and bills are as follows:

For the resolution on Premier Li Peng's report on government work: 2,682 in favor, with 2 against and 4 abstentions.

For the resolution on the 1989 plan for national economic and social development: 2,678 in favor, with 1 against and 9 abstentions.

For the resolution on the implementation of the state budget for 1988 and the state budget for 1989: 2,669 in favor, with 5 against and 14 abstentions.

For the resolution on the Administrative Litigation Law: 2,662 in favor, with 3 against and 23 abstentions.

For the resolution on the Rules of Procedure for the NPC: 2,673 in favor, with zero against and 15 abstentions.

For the decision on the bill submitted by the State Council to authorize the Shenzhen City People's Congress, its Standing Committee and the Shenzhen City People's Government to formulate regulations and rules for the Shenzhen special economic zone: 1,609 in favor, with 274 against and 805 abstentions.

For the resolution on the work report of the NPC Standing Committee: 2,567 in favor, with 12 against and 109 abstentions.

For the resolution on the work report of the Supreme People's Court: 2,654 in favor, with 5 against and 29 abstentions.

For the resolution on the work report of the Supreme People's Procuratorate: 2,668 in favor, with 2 against and 18 abstentions.

Before the State Council's authorization bill concerning Shenzhen was put to a vote, Huang Shunxing, a deputy from Taiwan Province, made a speech at the meeting, voicing his objections to adopting the authorization bill.

#### **Text of Li Peng's 3 April News Conference**

*OW0304112489 Beijing Television Service in Mandarin 0657 GMT 3 Apr 89*

[Press conference with Premier Li Peng and other leaders for Chinese and foreign reporters on 3 April at the Great Hall of the People; passage-by-passage translations in Mandarin and English; video opens with "Premier Li Peng and Others Answer Chinese and Foreign Reporters' Questions - On-Site Live Broadcast"—live]

[Text] [Announcer] This is the Central Television Station. Audience, we are now at the Great Hall of the People in Beijing to give you an on-site live broadcast of a press conference with Yao Guang, spokesman of the

Second Session of the Seventh National People's Congress, for Chinese and foreign reporters. At this press conference, Premier Li Peng, Vice Premiers Yao Yilin, Tian Jiyun, and Wu Xueqian will meet with reporters and answer questions posed by them.

[Video cuts to shots of Premier Li Peng, Yao Guang, and others entering the conference hall. After a wide shot of the conference hall, video shows, seated from left to right at a long table facing reporters and cameramen, Yao Guang, Tian Jiyun, an unidentified male interpreter, Li Peng, Yao Yilin, an unidentified female interpreter, Wu Xueqian, and an unidentified male]

[Yao Guang] Good afternoon, ladies and gentlemen! Now, the press conference begins. I have the great honor today to announce that we have invited Premier Li Peng and Vice Premiers Yao Yilin, Tian Jiyun, and Wu Xueqian of the State Council to come here together to meet with you all and to answer your questions. Now, we will ask Premier Li to say a few words.

[Li Peng] Welcome, all of you, to this press conference. Now, since Comrade Yao Guang, the spokesman of the NPC session, has already held six press conferences, and at these conferences questions relating to China's foreign and domestic issues of concern to you have all been answered. I do not think you have many questions to ask me today. Well, if you still have questions, we will be glad to take them up. Please. [Repeats, in English] Please.

[Yao Guang] Now let us have the questions. Reporters, please be seated.

[CHINA DAILY reporter] I am with CHINA DAILY. I have a question for Premier Li Peng. Last year some serious errors were made in the policy decisions of the government, and many deputies to this current session believe that a major cause of these errors was the lack of democratic decisionmaking on the part of the Central Committee and the State Council. I would like to ask Premier Li Peng what measures the government is going to take to guarantee democracy in decisionmaking so as to avoid further major errors in the future. Thank you. [Li Peng begins to speak as soon as the reporter finishes his question, then after a few words, stops and waits until the question has been translated into English]

[Li Peng] Concerning the question of shortcomings and errors of this government last year, I have responded on these shortcomings and errors in my government work report. I also gave a preliminary discussion on it on the reasons for these errors and shortcomings. I think that the reason for us to point them out is to draw lessons from them and to prevent their recurrence. Of course, we should point out that these shortcomings and errors are the sort that emerge in the course of progress and development. Over the past 10 years since the beginning of our reform and opening to the outside world, major achievements have been made. Even last year, our work

in all areas progressed. Over the past 10 years, great progress has been made in the drive to make decision-making more scientific and democratic. Otherwise, you could not possibly explain the huge progress we have made in the past 10 years. Of course, there is room for improvement, and in the future we will try to work to improve and strengthen our work in this regard.

[IZVESTIYA reporter] I am with the Soviet IZVESTIYA. Improving the economic environment, rectifying the economic order, and deepening the reform seem to be the focal point of your report to the deputies and the center of contention during the session. The first two points are very difficult to achieve but at least very clear to me and my readers. What is the real meaning of deepening the reform? Can you elaborate on this issue? In what particular fields are you going to deepen the reform? For instance, do you have any intentions to reform the education system? During the decade of reform, perhaps you found some experiences that are not suitable for the realities of China. If there are any, please mention them. Thank you very much. [Video shows Li Peng speaking with interpreter]

[Li Peng] First of all, I should say that your judgment is partially sound: That is, over the next 2 to 3 years, China will concentrate its efforts on improving the economic environment, rectifying the economic order, and deepening the reform. Concerning the specific contents of the deepening of the reform, I have made a comprehensive explanation in my report. Our general policy is this: First, the purpose of improving the economic environment and rectifying the economic order is to create better conditions for the reform. Second, many of the major reform measures we have taken will not be changed. For instance, in the countryside we introduced the household contractual responsibility system with remuneration linked to output, and in the urban areas we delegated decisionmaking power to enterprises, implemented the management responsibility system under which factories assume responsibility for profits and losses, and adopted reform measures in many other areas, including the reform of foreign trade, finance, and planning structures. All of these measures, which have proved successful, will be continued. They also include our strategy for coastal development and the establishment of special economic zones. The current drive to improve the economic environment and rectify the economic order has also provided us with an opportunity to carry out some experiments concerning some major reform measures in order to make the work of popularizing them smoother and more suitable to reality.

[Czechoslovakian reporter] I am from the CZECHOSLOVAKIA NEWS AGENCY. What area do you think the impact of the Sino-Soviet summit will be [words indistinct] and most obvious?

[Interpreter] Sorry.

[Czechoslovakian reporter] What area do you think the impact of the Sino-Soviet summit will be [words indistinct] and most obvious? Economy, trade, or foreign policy? Thank you.

[Li Peng] I think the coming Sino-Soviet summit will make greatest progress in normalizing relations between the two countries. As everyone knows, Sino-Soviet relations have been abnormal for a long time. China and the Soviet Union are neighboring countries with a common border of more than 7,000 kilometers, so the abnormal relations between the two countries are not in the interest of the people of the two countries. China has pursued an independent foreign policy of peace. So, normalization of relations between the two countries will contribute to creating a peaceful international environment for China. Of course, it will also contribute to development of relations in economic, cultural, educational, and other fields between the two countries. During the summit session, the two countries will hold an extensive and in-depth exchange of views on the international situation and bilateral relations. The Cambodian problem is also an important issue on which we will exchange views. Of course, we will also exchange views on economic issues. However, I don't think this is the main point of the summit.

[Reporter of the Central People's Broadcasting Station] I am a reporter of the Central People's Broadcasting Station. According to reports, Prime Minister Takeshita is experiencing some small troubles in domestic affairs. Currently he is being questioned by members of the Diet on the Recruit case. My question is, Premier Li Peng, do you have any special considerations in picking this time to visit Japan? My other question is about domestic affairs. China's agriculture has been in stagnation since 1984. The area of cultivated land has been decreasing, while the population has increased by tens of millions. This, in addition to a series of natural disasters in the last few years, have caused worry about the future of our agricultural development. May I ask Vice Premier Tian Jiyun, who is in charge of agriculture, what measures he plans to take to reverse the situation? Thank you.

[Li Peng] We also know that currently there are some troubles in Japan's political situation. The Chinese Government does not have any intention to interfere in or to influence Japan's internal affairs through my visit. As everyone knows, Prime Minister Takeshita visited China in August last year. My coming visit to Japan is a return visit for Takeshita's China visit, and the time of my visit was decided as early as last year. During my visit, governments of the two countries will hold an extensive and in-depth exchange of views on international issues of common concern, as well as on problems concerning bilateral relations. We will not only have contacts with figures of Japan's political circles, we will also have extensive contacts with figures both in and outside the Japanese Government. The purpose is to further develop friendly Sino-Japanese relations, which are fostered by the statesmen and people of the two countries over the



years. It is for promoting overall Sino-Japanese friendship that I have decided to visit Japan. Now it is only about 9 days until my visit to Japan. Unless somethings extremely extraordinary crops up, my visit will be made as scheduled.

I would like to ask our spokesman if one reporter can ask two questions. If it is all right, then I will direct the second question to Vice Premier Tian Jiyun, because I do not want to give privileges to Chinese reporters.

[Yao Guang] Just this time.

[Li Peng] This is an exception.

[Tian Jiyun] Agricultural production, particularly grain production, is indeed a relatively grim task facing us. In China, a country with a population of one billion, providing enough food has always been a most basic task in our economic work. As you know, the CPC Central Committee and the State Council held a national conference on rural work in November last year. At that conference, we formulated a series of strategies concerning ways to strengthen reforms in rural reform, ways to improve the mechanism of pricing and contracted purchase of grain and other agricultural products, ways to increase investments in agricultural production, ways to popularize scientific and technical knowledge about farming, ways to make full use of our existing agricultural resources, and ways to develop new agricultural resources. Currently, governments at all levels are paying great attention to agricultural production, especially production of grain. I think if we continue to carry out the adopted policies, it is entirely possible for us to put an end to the current stagnation in agricultural production within a few years of time, and to make a breakthrough in agricultural production. I wish to stress that the Chinese Government and people completely have the ability, ways, and wisdom to solve food problem by ourselves.

[NEWSWEEK reporter] I am Dorinda Elliott of NEWSWEEK magazine. My question is for Premier Li Peng. Chinese leaders have suggested that human rights is an issue fabricated by foreigners. But dozens of leading Chinese intellectuals, including Xie Bingxin, Su Shaozhi, and Bei Dao, recently wrote a letter asking for the amnesty and the release of Wei Jingsheng. This is a right I believe that is granted to the NPC by the Constitution. How will you deal with this question? And is there some concern that you are losing the support of China's intellectuals? Thank you.

[Li Peng] The Chinese Government attaches importance to the question of human rights. Since the end of the Cultural Revolution, the rights of citizens have been guaranteed. If there are areas where things are not fully satisfactory, we shall continue to work on them. However, the question of human rights is an abstract concept that should be defined by the laws of various countries according to their actual situations. As for China, its

human rights are prescribed in Chapter Two of the Chinese Constitution, which deals with the rights and obligations of Chinese citizens. What we do not tolerate is the attempt of certain foreigners who use the issue of human rights as a pretext to interfere in the internal affairs of China. Chinese citizens' freedoms, and their rights to exercise these freedoms, are guaranteed in our Constitution and other laws. However, if they go beyond the bounds prescribed by the Constitution and the laws, they will be limited. Moreover, under the present circumstances, China badly needs a stable situation, which I think is in the interest of the Chinese people.

[TZU LI WAN PAO reporter] I am a reporter of Taiwan's TZU LI WAN PAO. I want to ask Premier Li a question. In Taiwan, whenever some big errors are committed in decisionmaking, the public opinion will certainly strongly demand the resignation of the chief of the Cabinet. During my coverage of the NPC session here, I noticed that Chinese communist leaders have unanimously confessed their major mistakes concerning their decision-making. In your government work report, for example, you frankly admit that your economic policies did not provide proper guidance. On the other hand, Mr Deng Xiaoping also has said that the biggest error ever committed in the course of reform during the past 10 years was that education was not given sufficient attention. My question is, who do you think should be held responsible for these errors, and what concrete actions should these leaders take to show their responsibility?

[Li Peng] First of all, I want to tell you that I am willing to answer your question. We did make some errors last year. However, as I stated a while ago, these errors were those that cropped up in the course of our progress and development. Errors were also made during the reform over the past 10 years, but these errors were made while enormous achievements were also made during the course of carrying out reform and opening to the outside world. The very fact that we are candid about these errors demonstrates that we are resolved to correct them. The CPC is the ruling party in China. When its Central Committee is not in session, the highest decisionmaking body is the CPC Political Bureau and its Standing Committee, which make all the major decisions. Being an executive organ, the State Council must of course carry out all resolutions of the NPC and the laws drawn up by it, as well as the decisions of the Political Bureau of the CPC Central Committee. Therefore, the errors made in decision-making should be a collective responsibility. I am a member of the CPC Political Bureau Standing Committee and the premier of the State Council. I am one of the decisionmakers, and I also implement all decisions, so I cannot shirk my responsibilities. The reason we pointed out our shortcomings and mistakes is for the purpose of summing up our experiences and preventing the same mistakes and shortcomings in our work in the future so that we and the people of the country can do an even better job in developing our economy and in carrying out reform and opening to the outside world.

[HONGKONG STANDARD reporter] I am [name indistinct] of the HONGKONG STANDARD. Premier Li, you signed the order imposing martial law in Tibet. Now, all press reports indicate that the situation in Tibet is basically calm, and life there has returned to normal. Under such circumstances, when will you consider lifting martial law there?

[Li Peng] Martial law was imposed in Tibet on 8 March because there was unrest there. To ensure social order, stability, and a normal life there, and to ensure that work and production could be carried out normally, we announced the imposition of martial law in accordance with the Constitution. Currently, the situation in Tibet has basically returned to normal. However, many destabilizing factors still remain, and people engaging in independence and splittist activities are still looking for opportunities to create new disturbances. Therefore, currently, the conditions for lifting martial law do not exist. Once they do we will lift martial law.

[ANSA reporter] I am with the ANSA Italian News Agency. I would like to pose this question to Premier Li Peng. If I can elaborate on this theory of collective guilt, as you just explained to us, that collective guilt of the Politburo and old leadership for mistakes made during reforms. In light of what is happening in other socialist countries, especially in the Soviet Union, where a huge political reform is being put into practice now, just to overcome these principles of collective guilt, if there is an intention on the part of the Chinese leadership to implement such a political reform in China?

[Li Peng] Of course China is willing and is preparing to carry out political reforms. Political reforms will be carried out in conjunction with economic reforms. However, conditions in the Soviet Union and China are different. China cannot copy all the policies and measures the Soviet Union has adopted. We also hope other socialist countries do not mechanically copy China's experience, reforms, and approaches. Every country should decide its policies according to its specific conditions.

[Reporter of the Central People's Broadcasting Station] I am a reporter of the Central People's Broadcasting Station. I would like to ask Premier Li Peng a question. What impact will the policy of improving the economic environment and rectifying the economic order have on Shenzhen, Zhuhai, Hainan, and other special economic zones? I remember that Vice Premier Tian Jiyun once said that this policy may not be necessarily implemented in these economic zones. How much room is left in this area? Thank you.

[Li Peng] Since this reporter comrade mentioned Vice Premier Tian Jiyun's name, I think you would like him to answer your question.

[Tian Jiyun] The policy of improving the economic environment and rectifying the economic order is not in conflict with the policy of opening to the outside world

and the strategy of developing the coastal areas. As a matter of fact, they are mutually supportive. The policy of improving the economic environment and rectifying the economic order will create a good social environment and economic conditions for implementing the policy of opening to the outside world and the strategy of developing the coastal areas. On the contrary, properly carrying out the policy of opening to the outside world, and the strategy of developing the coastal areas will overcome temporary difficulties in, and provide good conditions for implementing the policy of improving the economic environment and rectifying the economic order. In general, the policies we have adopted toward special economic zones, open coastal cities, and other localities opening to the outside world have not changed. If there would be any changes, they would be gradual readjustments in the central government's preferential policies toward these places, in light of economic development in these places, in order to allow them to make certain contributions to the development of the central and western parts of the country, as well as the whole country.

[Netherlands reporter] I am from Radio Netherlands. I have a question for Prime Minister Li Peng. At the NPC meetings earlier there had been some criticism of the Three Gorges project. A couple of days ago, NPC deputies said that it might be destructive for social and economic order. Prime Minister Li Peng, do you intend to go ahead with the Gorges project no matter what?

[Li Peng] Vice Premier Yao Yilin is the leader of the examination group for the Three Gorges project. So, I will let him answer this question.

[Yao Yilin] There is some conflict over the Three Gorges project. Those who advocate launching the project have their reasons. Those who oppose it also have their reasons. Therefore, the feasibility of the project needs further appraisal. I don't think the project can be started in less than 5 years. The project will not be included in our present plan for improving the economic environment and rectifying economic order, nor will it be included in the Eighth 5-Year Plan. For this reason, we don't need to spend too much energy on arguing over it now. Before the project can begin it must be approved by the NPC. So, I don't think that it is necessary for us to discuss this question now.

[Chinese reporter] I am from the Central Television Station. I have a question for Premier Li Peng. You said in your government work report that the price hike index last year was 18.5 percent, and also that measures will be taken to ensure an evidently [ming xian] lower price rise index this year. What do you mean by being evidently lower? How big is the difference? What measures has the central government already taken, and what other measures are being and will be taken to insure the evidently lower price rise index this year? Thank you.

[Li Peng] I will let Vice Premier Yao Yilin answer this question as well.

[Yao Yilin] I think that if we resolutely implement the measures contained in Premier Li Peng's government work report, we certainly can evidently lower the price rise index this year. But we cannot give a specific figure as to how much it will be lower than that of last year, say 5 percent or 4 percent. It is because the margin will be affected by many factors in the process. For instance, the results of agricultural harvests can make the figure higher or lower. Premier Li Peng's government work report already mentioned the measures for attaining the goal. As long as we implement the measures, we certainly will attain the goal.

[Hong Kong reporter] I am from Hong Kong's SOUTH CHINA MORNING POST. Recently I heard a doggerel saying that the Communist Party has the power, the State Council has the money, the NPC deputies can only vote by a show of hands, and the CPPCC Committee members can only clap their hands. This doggerel clearly shows the people's doubts about the democratic process. I would like to ask Premier Li Peng a question. You are the top leader of the government. How can you make the people believe that the NPC and the CPPCC truly have authority and can play their role?

[Li Peng] The State Council has the responsibility to implement laws enacted and decisions made by the NPC and to place itself under the supervision of the NPC for its work. When the NPC is in session, members of the State Council are required to make themselves available to listen to the criticisms of the deputies and to answer their questions. In this regard, progress has been made in the current session and this is welcomed by the deputies. We will continue with this approach. After the closing of the current NPC, the State Council shall report to the NPC Standing Committee on special issues at the committee's request. To supervise the work of implementing the economic development plan and the budget, it is clearly provided for in the Rules of Procedures of the National People's Congress that a report on the work should be submitted to the NPC in the third quarter of the year for examination. We welcome NPC supervision over our work, because whatever power the State Council has, it is given by the people. NPC supervision over our work will help us do a better job.

[Chinese reporter] I am with the GONGREN RIBAO. I have a question for Comrade Li Peng. In the context of emphasizing the separation of the power of the party and the government and the separation of the power of the management of enterprises and the party, how shall we give concrete expression to and guarantee the position of workers as masters of their factories? What concrete measures are you personally and the State Council going to take in this regard? Thank you.

[Li Peng] I think you have raised a very important question. For our nation and the national economy to develop, it is impossible for us to proceed smoothly without the enthusiastic support of the workers and the farmers. To run enterprises well, there is no doubt that the managers or directors of the enterprises must play their roles. It is also doubtless that the technological personnel must play their role to bring about technological progress. However, factories or enterprises cannot be successfully run if the managers or directors fail to arouse the enthusiasm of the vast numbers of workers. The Law of Enterprises has provided for the role of the workers and the importance of their enthusiasm. With the development of our economy and the deepening of the economic reform and restructuring, we shall make supplementary measures and policies in these regards. By the way, I would like to announce that on the occasion of the 40th anniversary of the founding of the PRC, the State Council is going to convene a meeting to commend model workers and advanced individuals in all parts of the country. These model workers and advanced individuals shall be selected from the workers working at the first front in various fields. This is a concrete expression of the importance the party and the government attach to the role of the workers. Our definition of working class is a broad one. It certainly includes intellectuals. [Video shows unidentified man at extreme right of officials' table rising, then pointing toward one of the reporters] It seems that some improvement should be made in the way we select the correspondents to ask the questions.

[WEN WEI PO reporter] I am a reporter of Hong Kong WEN WEI PO. When the current NPC session examined Premier Li Peng's government work report, many deputies raised questions about what is known as storming the gate [CHUANG GUAN] of commodity prices in 1988. They said that they heard nothing about this issue during the NPC session last year, and the issue appeared suddenly. While this shows that there must be some problems with decision-making, it also clearly shows that the issue of separating party from government affairs—an issue put forth by the 13th Party Congress—has not been properly resolved. At the same time, while examining your report, many deputies also feel that unity and stability are not in conflict with democracy and reform of the administrative structure. I hope Comrade Li Peng will comment on these two questions.

[Li Peng, laughing] You have two questions. For your first question, my answer is as follows: I have already elaborated on it in great detail in my government work report. This is to say that when commodity prices began to rise early last year and the people began to worry about their tolerance, we again made some erroneous decisions, such as further decontrolling the prices of certain commodities. That was a mistake. I do not have any further comment on this issue. As for your second question, I think democracy is a good thing. However, democratic construction must be in line with the actual situation of each individual country. As far as China is



concerned, its objective is to foster and promote democracy. If this issue is handled well, it can expedite our economic development and promote social stability; but if it is not properly handled—for example, if we handle the issue hastily or if we overdo it—unity and stability will definitely be affected. If stability has been undermined, our construction and our reforms can hardly proceed smoothly.

[JIEFANGJUN BAO reporter] I am a reporter of the JIEFANGJUN BAO, AND I have a question for Premier Li Peng. You mention in your government work report that national defense must be in line with the status of the country. Can this be understood to mean that defense expenditures should be in step with the national economic growth? You said in 1988 and also in 1989 that defense education should be incorporated into the nation's educational system to heighten the people's sense of defense. However, I realize that no department whatsoever is in charge of defense education. Please tell me which department of the State Council should be in charge of defense education. What specific plans does the State Council have for educating the people, and particularly government officials at all levels? Thank you.

[Li Peng] In this year's state budget, there is some increase in military expenses. Since the growth of military expenses is far below the index of commodity price rises, China's military expenses have actually not increased at all. However, to make sure that our armed forces can fulfill their sacred duties, we feel the additional expenditures are necessary. Governments at all levels should pay attention to providing defense education to all the people. As for which department should be in charge of defense education, I think the State Education Commission, which is a large and comprehensive educational department, should discharge its responsibilities in this area. In localities where there are no education commissions, the local governments should designate relevant departments to take charge of the work.

[Yugoslavian reporter]: I am from Yugoslavia's (WORKERS' DAILY). I would like to ask Premier Li a question. Chairman Deng Xiaoping recently said that China should develop several zones of Hong Kong-type economy in its central and western regions. Are you still planning to implement such a policy, or will you wait until after the present austerity period is over?

[Li Peng] I haven't heard these remarks by Comrade Deng Xiaoping, but I have read about them in newspapers. To my understanding, I don't think that Comrade Xiaoping wants to transplant Hong Kong's social system onto China's coastal cities and other regions. China practices a socialist system, and Hong Kong practices a capitalist system. With such an understanding, I don't think that this report is correct. China's economic development is extremely uneven. China's coastal regions are economically more developed. It is understandable that

certain regions and cities are learning from Hong Kong's experience in economy, commerce, and banking, or are trying to attain the prosperity of Hong Kong. In the course of implementing the policy of reform and opening to the outside world, we are trying to learn from some good experience and practices of Western nations. These experience and practices are applicable to China's coastal regions, and some of them are also applicable to the interior regions. Of course, the experience and practices must conform to China's reality.

[ASAHI SHIMBUN reporter] I am with Japan's ASAHI SHIMBUN. Mr Premier, it has been more than a year since you took the premier's office. If you evaluate your own political performance, what mark will you give yourself?

[Li Peng] I will not evaluate myself. We Chinese do not have this habit. In Japan, you have the habit of assessing the approval ratings of the Cabinet, say 60 percent today and 30 percent tomorrow. We Chinese do not have such a habit.

[ZHONGGUO TIYU BAO reporter]: I am from ZHONGGUO TIYU BAO [China Sports News]. I have a comparatively light question. China will host the Asian Games next year. At present, our economic situation is quite strained. Some NPC deputies have pointed out that it is a mistake for China to host the Asian Games. Some of them describe it as slapping one's face until it is swollen in an effort to look imposing. Do you have any comments on this? Since we have already spent a lot of money preparing the Asian Games, what benefits will next year's Asian Games bring to China? Thank you.

[Li Peng] I don't think that your question is a light one. As you know, some comrades of our party and our state planted trees in the Asian Games Village yesterday. While we were there, Beijing Vice Mayor Zhang Baifa told me about a problem. While the Asian Games will be held in (?September) next year, there are still some financial difficulties in building those projects. Had we not built so many unnecessary office buildings, auditoriums, and guesthouses in various localities in the last several years, we wouldn't have had any financial difficulties for the Asian Games. China has committed itself to hosting the Asian Games. We will overcome difficulties to keep our promise no matter how great the difficulties are. We should see the positive significance of hosting the Asian Games—the significance of exchanging sports experience, promoting development of our physical culture and sports, and enhancing our vigor. Beijing Municipality has a plan to make effective use of the installations of the Asian Games after the games are over. For instance, the athletes' dormitories may be turned into apartment houses, and some sports facilities will be constantly open to Beijing residents. In my opinion, sports facilities in China are still insufficient. We have no other way out except working hard to overcome difficulties and host the Asian Games well. Of

course this commitment is also a lesson to us. When we undertake something in the future, we should plan it more carefully and do only what we are capable of.

[American reporter] I am with TIME magazine. Last week, Prime Minister Li Peng was shown on Chinese television in a panel discussion expressing admirable optimism that the Chinese people, this time, will be able to overcome the difficulties just as they did in the difficult years in the 1960's. Mr Premier, were you trying to say that the present difficulties are as difficult as in the 1960's? To my knowledge, the difficulties in the 1960's were very serious to the point that many people suffered from starvation, and even death. Is it true, for instance, that although there is now a glut in the supply of pork, duck, and chicken, in fact there is an imminent crisis because the peasants have in fact been killing their pigs and chickens recently because it is less profitable to grow them. If so—if it is so serious—what are you trying to do to solve them?

[Li Peng] The difficulties confronting us today are entirely different from those in the 1960's. What I meant in that panel discussion was: If we could surmount the kind of difficulties in the 1960's, is it possible that we cannot surmount the kind of difficulties confronting us today? This is why we are fully confident that we can overcome them. The difficulties confronting us today are difficulties cropping up in the course of progress and development. The unity of the people across the country is the key element for surmounting these difficulties. I think the current NPC session has been a very successful one because it has specifically played the role of mobilizing the people throughout the country to make concerted efforts to improve the economic environment, rectify the economic order, and deepen reform in all fields. This meeting will give us the courage and strength we need to surmount the difficulties.

[Chinese reporter] I am Wu Guihua, reporter of GUOJI SHANGBAO [INTERNATIONAL COMMERCE DAILY]. I have a question for Vice Premier Tian. The question is about foreign trade. Vice Premier Tian, you have said on many occasions that foreign exchange is needed for national construction, and that every effort must be made to prevent a downward slide in export. According to my knowledge, a slide has already occurred this year. What is your comment on this issue, Vice Premier Tian? Has it something to do with reform and economic retrenchment? What measures will the State Council take to resolve this problem? Does it mean that the nation's foreign trade policy has to be further readjusted? Thank you.

[Tian Jiyun] China's foreign trade policy has remained unchanged. Instead of reducing the amount of foreign export, we shall continue to take positive steps to achieve steady growth in our foreign trade. Of course, to alleviate the domestic problems while improving the economic environment and rectifying the economic order, we must ban the export of those products which are also in short

supply in China, and we shall properly plan the export of those important goods which are vital to the national economy and the people's livelihood. For those products which are needed both at home and abroad, we shall consider the needs of the domestic and world markets and make an effort to export some of them. For those goods which are not in great demand at home, but are needed on the world market, we will export them in large quantities. We have noticed that our exports were dropping in January and February, and we have taken measures and made proper arrangements in this regard. We are also trying to make this year's spring trade fair a bigger success and make more deals there.

[UPI reporter] Premier Li, my name is [name indistinct], and I work for the UNITED PRESS INTERNATIONAL. My question is, do you think that, during this austerity campaign in the next couple of years, the quality of life for the average Chinese will go up or down, or will it stay the same? Thank you.

[Li Peng] To improve the people's livelihood by developing production is our long-held principle. We will maintain an appropriate economic growth rate during our campaign to improve the economic environment and rectify the economic order. Therefore, in general, the people's livelihood will continue to improve during this period. However, the extent of improvement will be a little smaller than in the last few years before the campaign to improve the economic environment and rectify the economic order started.

[AFP reporter] Mr Li Peng, in your report, you mentioned the need for restoring the party and state authority. Referring to current debate in China, what is your position about the so-called neo-authoritarianism advocated by some people in the country?

[Interpreter] Sorry, the first sentence please. The first sentence please.

[AFP reporter] In your report, you mentioned the need for restoring the party and state authority. Referring to the current debate in China, what is your position about the neoauthoritarianism?

[Interpreter] Thank you.

[Li Peng] Neo-authoritarianism is an issue debated by the academic circles. It is not the same as I what I said in my report. What I referred to was government workers, especially leading cadres of government, should implement the decisions and policies made by the State Council. This is particularly necessary during the period of improving the economic environment and rectifying the economic order. In this sense, our government is a government with authority. However, it requires the people's support to establish this authority of the government. Without the people's support, our campaign to

improve the economic environment and rectify the economic order, and even the policy of reform and opening to the outside world, cannot be successfully carried out.

Is time up? This time last year when I was giving a press conference here, I announced at about this moment that another three questions could be raised. To make our policy consistent, you are now allowed to ask another three questions. I would like to suggest to the spokesman that he select three reporters from the left center and the right.

[ZHONGGUO QINGNIAN BAO reporter] I am a reporter of the ZHONGGUO QINGNIAN BAO. I wish to ask Premier Li Peng a question. Not long ago, Chairman Deng Xiaoping said that our country's biggest mistake had been insufficient attention to educational development. I would like to ask Premier Li, as the former minister in charge of the State Education Commission, what comments do you have on these remarks?

[Interpreter] What newspaper are you with?

[Reporter] I am with The ZHONGGUO QINGNIAN BAO. Thank you.

[Li Peng] I completely agree with Comrade Xiaoping's judgement. Comrade Xiaoping said that our education was not sufficiently developed, that is to say that our efforts in educational development, in economic development, and even in carrying out the policy of reform and opening to the outside world were not sufficient. By mistake in educational development, he did not confine himself to education in the pure sense, he also meant lack of attention to political education. He particularly mentioned the education in the spirit of hard work among the people and party members, including government workers. Therefore, this is a question of the entire efforts to promote spiritual civilization. The CPC Central Committee will hold an important special meeting in the near future to discuss educational problems. I believe that at the meeting specific decisions will be made on how to further develop our education and on how to correct our past mistakes.

[ZHONGGUO SHIBAO reporter] I am reporter (Tan Jixiang) from ZHONGGUO SHIBAO in Taiwan. I have a question on your policy toward Taiwan. A few days ago, a Chinese Mainland official told me that the mainland still thinks Mr Li Denghui has the tendency of a separationist who advocates the independence of Taiwan. I want to know through what channel does China get this news? What is your yardstick to judge that Mr Li Denghui has such a tendency? As I understand it from the question of Tibet, Beijing has reiterated that it will not negotiate with those who advocate separationism. Now, if you think that Li Denghui has a separationist tendency, why have you expressed the hope that Mr Li Denghui would directly contact mainland China over the last 2 years? Does this mean that you have a double standard in dealing with this issue of separationism? If in

the future more and more people in Taiwan have a separationist tendency, I wonder how you are going to reconcile the two questions of the unity of China and increased contacts across the Strait? Thank you.

[Li Peng] I would like to ask Vice Premier Wu Xueqian to answer this question.

[Wu Xueqian] Mr Li Denghui is the chairman of Kuomintang in Taiwan. I have never heard the kind of thing you have mentioned; that is, that Mr Li Denghui has a separationist tendency. I have read some speeches by Mr Li Denghui from Taiwan's newspapers. In his speeches, he advocates one China and the unity of China. As far as this matter is concerned, the great majority of the Chinese people on both sides of the Taiwan Strait hope for unity of the state. Of course, we have differences with Mr Li Denghui with regard to ways to achieve the peaceful unification of China. He still stands for opposition against the Chinese Communist Party and any negotiation for peace, and he advocates the Three No's policy. It is true that now in Taiwan, there are two kinds of tendencies. One calls for the peaceful unification of China, while the other advocates the independence of Taiwan. We do not want to see the tendency calling for the independence of Taiwan to continue to grow. We are willing to continue maintaining contacts with the Taiwan authorities and to have peaceful negotiations at an earlier date with regard to ways of achieving the peaceful unification of China. Once negotiations begin, many problems can be solved.

[Interpreter] Thank you.

[ZHONGGUO HUABAO reporter] I am a reporter from the ZHONGGUO HUABAO. I would like to ask Premier Li Peng a question. Recently the serious problem of an influx of job seekers into major cities has occurred. I want to know, Mr Premier, what you think is the major cause of this problem and what specific measures is the government going to take to resolve this problem fundamentally.

[Li Peng] I think that it has something to do with our efforts to scale back capital construction. In the past few years, there has been an excessively high rate of growth in the field of capitalist construction. There were working sites throughout various places in China. Many farmers and people from the rural areas actually worked as construction workers. Farmers got relatively higher pay by working in the field of capital construction. Therefore, such a job appeared very attractive to them. Also, some farmers are employed as a result of the rapid development in production in some urban areas. When we reduce the growth rate in production to what we think is the appropriate level this year, less farmers will be offered jobs. There is a more profound cause of this problem; namely, our countryside has a large population. When the productive forces in the rural areas become developed, they cause a surplus of labor on the farm. It is really not a good option for farmers to come to cities in



large numbers. A few years ago, we formulated the policy that farmers should find employment without leaving the rural areas. I still think that this is a positive and workable policy. That is to say, farmers should continue to engage in the development of agricultural production in the countryside and get involved in the tertiary industry and in the development of rural enterprises. These developments I have just mentioned should attract farmers to create wealth and to raise their living standards. In my report on the government, I mentioned that in the course of improving the economic environment and rectifying the economic order, new problems would continue to emerge, and I think this influx of job seekers from the rural areas is one of them. The governments at various levels, as well as the State Council, have taken a number of measures concerning the question of this influx of farmers who are also workers into cities. Therefore, this problem has now been somewhat alleviated. If continued progress is to be made in this current drive to improve the economic environment and rectify the economic order this year, then it is quite essential for us to have a good harvest in agriculture. At the moment, it is the busy season of spring plowing. Therefore, it is our hope that farmers in China will return to the countryside and engage in agricultural production or work in other fields there. It is hoped that they will contribute to a good harvest this year. I also want to add one point in relation to the question raised by the PLA DAILY journalist concerning defense education. Apart from the efforts that should be made by governments at various levels and their education commissions, I also hope that the PLA can exert massive efforts to give widespread publicity to defense education. The people's armed departments in various localities also have unshirkable responsibilities to promote defense education. This is the end of our press conference.

[Yao Guang] The press conference is now over.

#### Li Peng's Image Viewed

HK0404020989 Hong Kong SOUTH CHINA MORNING POST in English 4 Apr 89 p 10

[From Marlower Hood in Beijing]

[Text] Just before Premier Li Peng's trip to Australia this year, a trusted aide passed on a suggestion from a concerned Western diplomat: Get rid of the grey shoes. The Prime Minister's penchant for combining dark suits with light-grey loafers, came the advice, was nothing short of sartorial suicide.

Mr Li got the message. He has worn nothing but basic black and brown ever since.

Twelve months after his confirmation as China's top government official, Mr Li has learned a lot about image—how to sharpen it and how to project it. He approached the second press conference of his premiership yesterday as if he had been waiting a whole year to erase his lacklustre performance at the first one.

Starting and ending the two-hour session with quips and a big smile, Mr Li also peppered his answers with humour at most of the right moments. He was far more relaxed than last year, taking questions as they came or passing them on to one of the three vice-premiers seated beside him. It was his show, and he seemed to enjoy it.

There is little doubt that Mr Li was aided in his performance by a retrained and docile Chinese media. At last year's press conference, domestic reporters were positively aggressive and invoked implicitly unfavourable comparisons with Communist Party General-Secretary Zhao Ziyang at every opportunity. This year the word was out—no tough questions allowed.

But even if Mr Li scored higher marks on presentation yesterday, he offered little of substance to the 300 Chinese and foreign journalists on hand. Despite mounting pressure to undertake political reform and widespread complaints by National People's Congress delegates about vagueness in his government work report, Mr Li recycled his prescription of austerity and retrenchment as the cure for China's ills.

It is unreasonable, of course, to have expected anything else. China's senior leaders have had a hard time coping with and explaining their freeze on reform, and Mr Li was not about to stray from the collectively written script. But it is also tempting journalistic ire and public disappointment to convene a major press conference without having anything to say.

When a Soviet journalist, quoting Mr Li's work report, asked exactly how China planned to "deepen reform," he was clearly prepared to give a convincing non-answer. "The major steps we have taken in reform will not be changed," he said, citing the household responsibility system and contract management in enterprises while managing to ignore abandoned experiment in price and ownership reform.

The only "announcement" Mr Li has to offer does not really inspire either enthusiasm or confidence. In recognition of China's toiling masses, the state will honour "model and advanced workers" on the occasion of the 40th anniversary of the People's Republic of China this autumn. "China's intellectuals, of course, are an important part of the working class," Mr Li added.

This is not the kind of initiative that is going to motivate China's notoriously undisciplined workforce. Nor is Mr Li's afterthought going to please restless intellectuals, who are openly clamouring for recognition as a separate social group rather than "hair attached to the skin of workers and peasants," as the late chairman Mao Zedong used to put it.

Mr Li's lukewarm endorsement of the Asian Games will not win many supporters either. Mr Li strongly suggested that if senior leaders had thought the matter over more carefully, they might not have hosted the biennial event at all.

Commenting on the Sino-Soviet summit in May, Mr Li hinted at something which one senior Asian diplomat has described as a kind of communist superpower "brinkmanship." By stressing that the question of Kampuchea is important to the success of the summit, Chinese leaders are making it clear that they expect further concessions.

On balance, Mr Li gave the impression of growing confidence in his position and leadership. If he lacks the flair of his immediate predecessor, Zhao Ziyang, or the agility of Premier Zhou Enlai, it does not necessarily mean that he does not know how to accumulate and wield power. In Chinese politics, after all, that is the bottom line.

#### Further Reportage on Recent 7th NPC 2d Session

##### Wan Li Cited on Petition Confiscation

HK0404022789 Hong Kong HONGKONG STANDARD  
in English 4 Apr 89 p 1

[By Yau Shing-mu and Fan Cheuk-wan in Beijing]

[Text] Chinese officials were wrong to confiscate a 24,000-signature Hong Kong petition calling for the release of political prisoners in China, a senior Beijing leader acknowledged yesterday.

Mr Wan Li, chairman of the Standing Committee of the National People's Congress (NPC), said officials had mishandled the situation.

On an unscheduled visit to a group meeting of the Hong Kong and Macao delegation of NPC deputies, Mr Wan criticised officials for their "improper" handling of the matter.

During a 20-minute meeting with the deputies, Mr Wan promised that the Standing Committee would ask Tianjin Customs—which confiscated the petition—to hand it over to the NPC.

He criticised one official in particular for speaking rudely to a group of Hong Kong reporters.

Although he did not mention the official by name, "he is obviously talking about Dai Jie," said Hong Kong delegate Mr Ng Hong-man.

Mr Dai is an NPC deputy and is in charge of China's Customs authorities.

He refused to talk to Hong Kong journalists and shouted obscenities at them.

It is believed Mr Wan's unexpected visit and his comments were prompted by claims that a sudden drop in the Hong Kong stock market stemmed from the incident.

Hong Kong deputy Mr Cheng Yiu-tong, attacked Chinese officials' handling of the incident the day after it occurred, pointing to the stock market fall.

"Hong Kong is now in a very sensitive time, (Chinese officials) should be very careful when carrying out certain policies," Mr Cheng said.

Mr Cheng's speech was later published in an NPC document which was read by Mr Wan.

The two men met during Mr Wan's visit to the delegates yesterday.

Mr Mo Ruiqiong, deputy director of a department of the Hong Kong and Macao Affairs Office, has also expressed regret.

In a meeting with Mr Ng and Cheng, Mr Mo said the signatures were meant for the Standing Committee, and it was wrong to seize them.

#### Three Gorges Postponement Urged

OW0104120689 Beijing XINHUA in English  
0917 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—Two hundred and seventy deputies to the National People's Congress (NPC), China's parliament, have put forward a proposal to the NPC general session, calling for postponing the construction of the giant Three Gorges Project on the Yangtze River until the next century.

The project, if undertaken now, will have a disrupting impact on the national economy and social order in China, the proposal says, since the giant project needs huge investment, entails the evacuation of large numbers of people, and will have far-reaching influence on the environment of the vast project area.

In addition, the proposal says, geological and seismological conditions of the project site as well sand and mud situation need further studies.

Observers say the proposal carries immense weight since it is submitted by almost one-tenth of the total number of NPC deputies.

The Three Gorges proposal is one of the more than 2,000 proposals and bills put forward so far by deputies attending the current NPC session due to close next Tuesday.

The proposals and bills, many of which are in the nature of criticisms, concern state affairs, social problems and economic and political issues.

Most of the suggestions call for strengthening legislation and macro control over the economy and ridding the country of corruption.

Some of them are sharply critical of the work of the State Council, the ministries and other government departments.

Wong Xinhe, a deputy from Jiangsu Province, said the State Council is responsible for the runaway capital construction fever throughout the country.

Capital construction projects must be strictly examined and approved in advance, he said.

Officials, he said, must be banned to give personal special permission to any pet projects.

Officials in the State Planning Commission should take the lead in strictly following procedures in approving capital construction projects, he said.

"If any department fails to do so, its chief should take the blame and resign," he said.

Guizhou deputy Wang Lusheng proposed that state key construction projects be submitted to the NPC or the NPC Standing Committee for final approval.

During group discussions, some deputies questioned why the NPC Standing Committee has never been informed of the state investment in, and the pooling of funds for, the 1990 Asian Games projects.

Zhang Yongxiang, a deputy from Zhejiang Province, proposed that leading officials at various levels make their income and property known to the public before they take office. This should also do so when they are in office or leave office.

How to strengthen NPC's authority has been one of the major topics of the proposals.

Fu Bingyue and Wang Aiwu, both deputies from the People's Liberation Army, proposed that government officials be put to a vote of confidence by NPC sessions and those failing to win half of the votes must resign.

Other deputies pointed to state leaders' lack of attention to NPC deputies' criticisms, asking why price hikes and the overheating of the national economy got worse, despite NPC deputies' warnings voiced in this regard during NPC's last session.

Premier Li Peng should have specified the reasons behind policy-making mistakes in his report on government work, Li Jingwei said, along with other deputies, adding that probings should be made to hold relevant leaders responsible for the errors.

Many mistakes have occurred because leaders and government departments did not undertake serious feasibility studies, placing their will and words over laws, the deputies say.

**Wang Hanbin Cited on Draft Laws**  
OW0104200789 Beijing XINHUA Domestic Service  
in Chinese 1447 GMT 1 Apr 89

["Local Broadcast News Service"]

[Text] Beijing, 1 Apr (XINHUA)—Wang Hanbin, vice chairman of the NPC Standing Committee and chairman of the NPC Law Committee, delivered a report on the results of an examination of the draft administrative procedure law and the draft NPC rules of procedure at the third meeting held today by the Presidium of the Second Session of the Seventh NPC. He said that the two draft laws are basically sound and suggested that they be submitted to the full session for approval after examination by the presidium.

Wang Hanbin reported on the Law Committee's suggestions for revising the two draft laws. The suggestions were made after the Law Committee had examined the draft laws on the basis of opinions from various delegations.

Wang Hanbin said: Certain deputies have stated that the implementation of the administrative procedure law may cause some difficulties to such rural work as family planning and the purchase of grain by contracts. With regard to family planning, the implementation of this policy requires legitimate administrative measures. Now, 16 provinces, autonomous regions, and municipalities have enacted local family planning laws and regulations. It is suggested that other provinces step up their efforts to work out pertinent local laws and regulations as well. In the meantime, the State Council is prepared to formulate a statute on family planning. This will provide a legal basis for family planning work. As for the purchase of grain by contracts, the peasants should sell their grain in accordance with the contract terms, while the government departments concerned should supply the peasants with the necessary means of agricultural production as specified in the contracts. The question here is how to improve work in this regard. It is suggested that the administrative procedure law be put into effect on 1 October 1990. There will be 1 and 1/2 years between the adoption of this law and the time the law takes effect. The reason for this interval is to give enough time for various localities to do preparatory work. We should make the enactment and implementation of the administrative procedure law a motive force to improve work in the above mentioned fields.

**Revision of Constitution Requested**  
HK0104045589 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Apr 89 p 1

[From Marlowe Hood in Beijing]

[Text] More than the required 30 National People's Congress (NPC) delegates have backed a controversial motion calling for revision of China's state constitution.



Signatories to the motion which is spearheaded by self-styled lobbyist Cao Siyuan, include Standing Committee members Li Chonghuai and Chu Zhuang. The backing of at least 30 delegates is needed for a proposal to be formally accepted by the NPC.

"Economic reality and the needs of political reform have overtaken the present constitution," said Mr Cao. "Individual freedoms and economic rights need to be strengthened".

China's original 1954 constitution has been rewritten three times—most recently in 1982—to accommodate and codify political and leadership changes.

Both foreign and Chinese experts say the constitution has always been little more than a reflection of Communist Party priorities and policies. But in the last two years, it has gradually become the object of open and genuine debate.

"What I am doing now would have been laughable before," said Mr Cao.

A growing number of reform-oriented government officials, newspaper editors, entrepreneurs and academics have recently begun to advocate—in meetings and in published articles—the overhaul of the 1982 charter.

A constitutional symposium organised by Mr Cao last week involving more than two hundred experts was, say participants, a rally for such reform.

The Government, however, does not seem too keen on the idea.

"We are studying the problem. But if the revision involves only a few articles, I don't think it is necessary to establish a special committee," NPC vice-chairman Wang Hanbin told reporters earlier this week.

The motion before the NPC calls for the formation of a committee much like the one which oversaw the revision of the 1978 charter.

"Senior officials do not admit to the need for a revision," said long time Communist Party member and legal expert Yu Haocheng.

Mr Yu, who has been criticised recently by the party for his outspokenness and for signing a petition calling for an amnesty for "ideological criminals," is another leading figure in the drive to make the constitution into a meaningful document.

Mr Cao, a former official of the State Commission for the Restructuring of the Economic System, is widely credited with initiating and drafting China's first bankruptcy code, which passed into law last November.

The senior economist has organised the campaign to amend the constitution from his new position as head of a research group attached to China's largest private electronics firm, the Stone Group. "This is the main item on our institute's agenda for the next five years", he said.

Some of the changes Mr Cao and others have called for include:

- Removing any mention of the late Chairman Mao Tsetung, the Communist Party or the Four Basic Principles from the constitution or its preamble.
- Presumption of innocence before a court of law.
- A further move away from state ownership and management, and central planning towards a commodity economy, private ownership and the right to sell and buy more forms of property.
- Restoration of the right to strike.
- The specific recognition of intellectuals as a social group.
- Greater guarantees for personal freedom.

These proposals are especially controversial at a time when the central Government is trying to recover economic power and "rectify the economy" on the one hand, and fend off growing demands for political reform on the other.

Meanwhile, Taiwan delegate Huang Xunxing, another member of the NPC Standing Committee, has submitted his own proposal for constitutional amendments. He and two co-signatories also propose changes that would institutionalise market mechanisms more fully.

#### Change in Constitution Slated

HK0104043089 Hong Kong HONGKONG STANDARD  
in English 1 Apr 89 pp 1, 8

[Text] China will amend the controversial counter-revolutionary clause in its criminal laws to match its "one country, two systems" policy to be implemented in Hong Kong, two leading criminal law experts said yesterday.

The Chinese constitution's provision on "counter-revolutionary activities" would also be amended so that China's national laws could be brought in line with Hong Kong's Basic Law, they said.

In an interview with the HONGKONG STANDARD, Professor Cao Zidan, deputy general director of Criminal Law Research Society and a lecturer in criminal laws at the China University of Political Science and Law, said the government planned to amend the counter-revolutionary offences because it was not conducive to the implementation of the "one country, two systems" policy and the opening up of the country.

"The 'one country, two systems' theory is to accommodate two different social systems in one nation, but the counter-revolutionary clause is not favourable to the co-existence of the two systems," Professor Cao said.

Professor Liang Huaren, also a criminal law lecturer at the university, said the Chinese authorities had learned that many Hong Kong people are worried about the counter-revolutionary clause if it remains in the criminal laws after 1997.

"Our policy towards Hong Kong is very clear, but Hong Kong people are still worried about the application of Chinese laws in Hong Kong because there is a lack of mutual understanding between the two places after long years of separation," Professor Liang said.

"Hong Kong is part of Chinese territory, so the Basic Law must be in accordance with the national laws and the Constitution," Professor Liang said.

"As early as 1983, China started to study the amendment to our criminal laws, including the counter-revolutionary offences.

"After years of research, law experts considered the current criminal laws required numerous amendments. Since last year, the NPC [National People's Congress] Standing Committee has organized a series of seminars to collect the views of law experts on the amendment proposals, among which deletion of the counter-revolutionary offences was top on the priority," he said.

"Amendment of the counter-revolutionary offences will be beneficial to the unity and stability of China and will favour the implementation of our open policies," Professor Liang added.

Both professors are advisers to the Commission of Legislative Affairs under the NPC Standing Committee, which is conducting the drafting work of the amendment.

"Because Article 28 of the Constitution also entails the term of 'counter-revolutionary activities,' there is a need to amend the Constitution before passing the amendment of the criminal laws," said Professor Cao.

The Commission of Legislative Affairs is doing the drafting work to amend the current counter-revolutionary offences to "offences of threatening national security," which will include offences of treason, subversion, leaking of national secrets, separating the unification, the law expert said.

"In the current criminal laws, there are 15 articles stipulating 20 kinds of counter-revolutionary offences. The amended criminal laws will reduce the total number of the new offences of threatening national security," he said.

Professor Cao said it would take at least one year to finish the work because the Commission of Legislative Affairs must submit the draft amendment to the NPC Law Committee for discussion before delivering it to the NPC Standing Committee for scrutiny.

"Amendment of the Constitution must be passed by the third session of the seventh NPC next April. We must amend the Constitution first before changing the criminal laws," he said.

Professor Liang added the amendment would foster a more favourable political atmosphere in China.

Professor Cao said he began to rethink the suitability of the counter-revolutionary offences in early 1960's. After the Soviet Union cancelled the counter-revolutionary offences in 1960 and replaced them with the charge of "endangering the state and others".

Professor Cao said the counter-revolutionary offences did not suit the current social needs because of the change of the political situation in China.

"After amending them to 'offences of threatening national security,' there will not be thought offences but there must be substantial behaviour threatening the national security for conviction," Professor Cao concluded.

#### Revision of Criminal Law Considered

HK3103135589 Hong Kong WEN WEI PO  
in Chinese 31 Mar 89 p 1

["Jiang Ping Discloses That Revision of Criminal Law Is Under Consideration and the Provision of 'Counterrevolutionary Crime' Will be Substituted by the Provision of the 'Crime of Subversive Activities Against the State'"]

[Text] Beijing, 30 Mar—Jiang Ping, vice chairman of the Law Committee of the National People's Congress [NPC] Standing Committee and president of the University of Political Science and Law, disclosed that the NPC Standing Committee is considering revising the legal wording of "counterrevolutionary crime" to make it "crime of subversive activities against the state." Jiang Ping made these remarks when soliciting opinions at a group discussion held by Hong Kong and Macao deputies.

At today's NPC session, the Hong Kong and Macao group discussed "administrative procedural law." Deputy Liu Yiu-chu pointed out that because it had been 40 years since the success of the Chinese revolution, the current legal provision of "counterrevolutionary crime" did not suit China's political life, therefore it should be revised or abolished. At a time when China is carrying out political structural reform, if the provision of "counterrevolutionary crime" is not revised, this will be unfavorable to bringing the initiative of the people throughout the country into play. She urged that the relevant legal provision be revised or abolished. Jiang Ping said that the NPC had noted this point and that many people on the mainland had aired the same opinion. Therefore, the NPC Standing Committee is planning to revise the relevant legal provisions of the Constitution and Criminal Law and substitute the "crime of subversive activities against the state" for the "counterrevolutionary crime." Liu Yiu-chu was pleased with this.

**State Council Reform Enters Final Stage**

OW0304154989 Beijing XINHUA in English  
1335 GMT 3 Apr 89

[Text] Beijing, April 3 (XINHUA)—The structural reform of the State Council, China's cabinet, has entered the final stage of being examined and appraised, Zhang Zhijian, vice-minister of personnel, said here today.

Briefing Shanghai deputies to the National People's Congress (NPC), China's parliament, now in session here, Zhang said that the major task of the examination and appraisal period is to see whether government departments under the State Council have changed their functions, whether new problems which have arisen with the change of functions have been solved, and whether administrative regulations on the size of the departments have been formulated.

The specific schemes for the structural reform of departments and ministries under the State Council have been examined by the premier's office and a committee responsible for the structural reform.

For economic departments, the change of function means a weakening of their direct management of enterprises and a strengthening of their indirect regulating functions through the formulation of policies and laws and regulations, Zhang said.

In 1988 alone, the structural reform reduced the workforce of central departments by more than 7,600 people, Zhang said.

The State Council has also conducted experiments in the Ministry of Light Industry and the State Environmental Protection Bureau on the change of functions, paving the way for the establishment of a civil service in China.

Examination and appraisal of the structural reform is expected to be completed by the end of this year, Zhang said.

**Shenzhen Proposal Amended**

HK0404024189 Hong Kong HONGKONG STANDARD  
in English 4 Apr 89 p 1

[By Fan Cheuk-wan in Beijing]

[Text] The Chinese central authorities have amended a proposal to delegate legislative power to Shenzhen after strong objections from Hong Kong and other deputies to the National People's Congress (NPC) session.

The proposal to delegate the legislative power of provincial level to the Shenzhen People's Congress was amended by the presidium of the NPC session.

But several Hong Kong NPC deputies were still dissatisfied with the amended version which proposed the NPC to authorise its Standing Committee to consider delegating the legislative power to Shenzhen later this year.

Several deputies said last night they would vote against the proposal today at the NPC's closing session.

Mr Wan Li, chairman of the NPC, yesterday made an unscheduled visit to the group of Hong Kong and Macao delegates who had harshly criticised the proposal on Saturday.

The deputies had urged the State Council to shelve the plan until the next NPC session and to give explanation for Shenzhen's failure to establish the People's Congress for the past 10 years.

Veteran Hong Kong deputy and supervisor of the leftist Pui Kiu Middle School, Mr Ng Hong-man, said yesterday Mr Wan told them he accepted their opposition opinions.

The leader said its amended version suggested the NPC should authorise its Standing Committee to reconsider the proposal to grant legislative power to the Shenzhen People's Congress after it was established later this year.

The original proposal suggested the NPC delegate power to the Shenzhen legislature.

But many deputies and some NPC Standing Committee members opposed the plan to decentralise legislative power to municipal level and to give power to the Shenzhen People's Congress before its establishment.

"Members in the NPC Standing Committee also expressed many opposition views so that the presidium must amend the original proposal," Mr Ng said.

But the amendment does not fully embrace the measures proposed made by the Hong Kong deputies as they suggested the proposal should be re-submitted next April.

Mr Ng said the Shenzhen government would take at least half a year to prepare for the establishment of the People's Congress and it would take time for the NPC Standing Committee to examine the proposal after it was set up.

"All these procedures will take a considerable period of time and the next NPC session should be able to meet the timing to scrutinise the proposal again," Mr Ng said.

Miss Liu Yiu-chu, a Hong Kong Basic Law drafter, expressed fears the NPC Standing Committee would use technical means to by-pass the NPC.



"If the current NPC session has authorised the Standing Committee to consider the proposal when the full NPC is not in session, the deputies can't monitor the move and the Standing Committee can push through the plan without our endorsement," she said.

"If I don't have sufficient confidence that the Standing Committee will take our opinions seriously between now and the voting time, I'll vote against the proposal."

Mr Cheng Yiu-ton, Hong Kong Federation of Trade Unions chairman, criticised the amended proposal as it did not include an explanation on Shenzhen's failure to set up the People's Congress.

"The preparatory group for the establishment of the Shenzhen People's Congress was set up in 1985, but it has never submitted a single report to the NPC," Mr Cheng said.

"The proposal to delegate legislative power to the Shenzhen People's Congress was not mentioned in the previous Standing Committee meetings, but all of a sudden the State Council submitted the proposal to the current NPC session.

"I think the whole process did not follow the necessary legal procedures."

**Standing Committee Procedure Criticized**  
*OW0404064389 Beijing Domestic Service  
in Mandarin 2230 GMT 1 Apr 89*

[Text] While examining the NPC's rules of debate, Professor Song Zexing, a deputy from Liaoning Province and noted economist, criticized the work of the NPC Standing Committee and made relevant suggestions.

He said: The NPC rules of debate should clearly stipulate that before the government can implement any important state policies, they must be debated and adopted by the NPC or its Standing Committee. If major readjustments or changes must be made to these policies while they are under implementation, these readjustments or changes should also be submitted to the NPC Standing Committee for examination and approval. Only by doing this, can the NPC truly become the nation's supreme decision-making organ with supreme power.

Song Zexing said: However, in recent years, some important policy decisions did not go through this democratic process. For instance, last year's strategic plan for coastal economic development was not deliberated by the NPC Standing Committee. Another example was that even after a policy for stabilizing the economy and strengthening reform as proposed in the government work report was adopted by the NPC last year, an overall price reform program was ready to be implemented not long

after the NPC session ended when inflation had obviously become a serious problem. This obviously ran counter to the policy of stabilizing the economy already adopted by the NPC.

Song Zexing suggested that some of NPC's traditional practices be reformed. For instance, although it is in line with the requirement of democratizing the process of decision-making that the government's work report, reports by the Supreme People's Court and the Supreme People's Procuratorate, and the national economic development program should be examined and debated by the NPC, these reports are delivered to the deputies only after the NPC session has already begun. This gives the deputies only enough time to listen to and read them just once before they must examine and debate them, making it impossible for the deputies to come up with good views.

**Review of 1988 Resolutions Demanded**  
*OW0404073889 Shanghai JIEFANG RIBAO in Chinese  
29 Mar 89 p 1*

[Special dispatch from Beijing on 28 March by JIEFANG RIBAO reporter Di Jianrong]

[Excerpts] Some 30 deputies from the Second and Third Groups of the Shanghai Delegation to the Second Session of the Seventh NPC sent a joint letter to the NPC Presidium asking departments concerned to report on the situation of implementing resolutions adopted at the First Session of the Seventh NPC.

**Why Were There Errors in the Execution of the National Economic Plan?**

The letter demands explanations of key issues in five areas. First, why were there such great errors in the implementation of the national economic plan? Compared with the plan, the industrial growth rate more than doubled; the monetary issue exceeded by over 50 percent; and investments exceeded by over 30 percent. Price hikes have gone beyond what the public can bear, and so on and so forth. [Passage omitted]

**What Were the Results of the State Council's Own Structural Reform?**

Second, on the surface, the State Council's own structural report plan adopted at the First Session of the Seventh NPC has been fulfilled. But, what were its actual results? We think it has not achieved the expected results. For instance, after the Planning and Economic Commissions were reorganized into the State Planning Commission, a tendency emerged wherein industrial production management and technological innovations were obviously weakened; and serious errors in the plan's micromanagement targets have not been promptly corrected. Moreover, after the Ministry of Coal Industry was merged into the Ministry of Energy, a nationwide shortage of coal and electricity occurred which have

seriously affected production and the people's livelihood. Who should be responsible for this? Furthermore, although the State Council's administrative organs have been reduced somewhat, many investment companies and special general companies where administrative functions are not separated from enterprise management, have emerged. Is this truly streamlining or is it continued expansion? It is hoped that explanations be given in this regard.

**How Have the Enterprise Law and the Bankruptcy Law Been Implemented?**

Third, how has the "Enterprise Law" adopted at the First Session of the Seventh NPC been implemented? What results has it achieved? How have the "bankruptcy Law," which came into effect 6 months later, been implemented? What results has it achieved? It is hoped that the NPC's Legal System Committee shall report in this regard.

**How Well Have the Three Crucial Issues Been Handled?**

Fourth, at the First Session of the Seventh NPC, the deputies particularly advanced three "crucial issues," namely, prices, education, and clean government. But 1 year later, these problems have become even more serious. What organization or organizations are charged with the responsibility of dealing with these issues, particularly the issues of promoting a clean government, improving the economic environment, and screening companies? What problems have these organizations encountered? Why are the problems of speculation and profiteering still unchecked? It is hoped that the State Council shall report in this regard.

**Is There Any Supervision Over and Evaluation of State Leaders?**

Fifth, the First Session of the Seventh NPC elected state leaders and responsible persons of departments concerned. Has the NPC Standing Committee carried out supervision and evaluation of them? How are their actual work performances? Now that the various localities have all required their cadres to report on their work at the end of a year to be openly evaluated, have the central organs done the same? Who is responsible for this work? It is requested that the NPC Standing Committee should report in this regard.

**Hainan Land Lease Protested**

OW040401189 Shanghai City Service  
in Mandarin 2300 GMT 1 Apr 89

[Special dispatch by correspondent Jiang Xiaoqing in Beijing "Shanghai Delegates Voice Different Opinions on Leasing of Large Tracts of Land by Hainan Province"; from "Morning News" program]

[Text] It was learned from the office of the Shanghai delegation that the delegation received a telex this afternoon from the general office of the Shanghai Municipal

People's Congress. It was a joint letter signed by (Shi Huiqu) and 43 fellow members of the Ninth Shanghai Municipal People's Congress.

The letter stated that in light of the public's divergent views in connection with the news that Hainan Province will lease large tracts of land at low prices, we hereby present a five-point proposal and request the Shanghai delegation to convey it to the Presidium of the Second Session of the Seventh National People's Congress [NPC]. The five-point proposal is as follows:

The NPC is requested to immediately investigate the matter.

If any leasing agreement has already been signed, the authorities concerned are asked to take drastic steps to annul it.

We demand to know the leader responsible and that he be held accountable.

We suggest that the NPC pass new legislation so that in the future, any contract to lease large tracts of land to foreigners will be submitted to the NPC for approval.

We request that the results of the investigation be made public.

It was learned that the letter had already been passed onto the Presidium.

**Hong Kong Deputies Criticize State Council**  
HK0204024889 Hong Kong SUNDAY STANDARD  
in English 2 Apr 89 p 4

[By Fan Cheuk-wan in Beijing]

[Text] A group of Hong Kong deputies to the National People's Congress (NPC) yesterday levelled harsh criticism at the State Council's proposal to delegate provincial legislative power to the local People's Congress of the Shenzhen Special Economic Zone (SSEZ).

Speaking during a group discussion of the Hong Kong and Macao deputies yesterday morning, Hong Kong delegates criticised the proposal as creating "independent kingdoms" by allowing cities to enjoy the legislative power at provincial level.

They also demanded that the State Council explain why the SSEZ had not yet established a local people's congress in the ten years since it was set up.

Outspoken Hong Kong deputy, lawyer Miss Liu Yiu-chu, demanded to know who should bear the responsibility for this.

"According to the constitution, cities should organise their people's congresses and governments," she said. "I wonder why the SSEZ failed to set up its people's congress after such a long period. We must ask who should bear the responsibility."

Miss Liu, also a Basic Law Drafting Committee member, said Shenzhen would enjoy too much authority if delegated legislative power.

Mr Luo Gan, secretary-general of the State Council, submitted the proposal last Tuesday for granting the local people's congress of Shenzhen legislative power.

"There should not be excessive centralisation of power in Shenzhen," said Miss Lui. "Otherwise the NPC and the Guangdong Provincial congress will not be able to supervise the legislative work there." Veteran NPC deputy Mr Ng Hong-mun also criticised Shenzhen's failure to organise its people's congress and challenged what he described as a hasty decision to set up one when it wanted to obtain legislative power.

"Shenzhen gives us the impression that it wants to set up the congress just to gain legislative power from the central government."

Miss Liu also said there would be contradictions between economic laws in different local districts if the central government allowed the local authorities to make their own laws.

"Moreover, if Shenzhen is given such a great power, most probably the other SEZs in Shuhai, Shantou and Xiamen will also make the same request," said Mr Chen Yitong, chairman of the Hong Kong Federation of Trade Unions. "Then how would the central government react to their demand?"

"Foreign investors will also find it very confusing to adapt to different economic laws when they invest in different parts of China," he added.

Mr Luo Tian, chairman of the Guangdong Provincial People's Congress Standing Committee, defended the proposal, saying the provincial congress could supervise the legislation of the Shenzhen congress.

But Miss Liu claimed that only the NPC, and not the province, would have the power to supervise the Shenzhen congress after the proposal was passed.

**Council Must Respond to Deputies' Questions**  
HK0304021989 Hong Kong HONGKONG STANDARD  
in English 3 Apr 89 p 6

[By Tammy Tam]

[Text] Officials from China's highest governing body will be obliged to answer enquiries by deputies of the National People's Congress during future sessions of the NPC, under the body's new Standing Order.

The Standing Order, to be passed tomorrow, regulates the proceedings of the NPC, China's parliament. The change will require State Council officials to respond to queries put by NPC deputies.

Although more than 10 State Council officials have been summoned to the current session of the NPC, they were not obliged to respond.

The NPC has often been criticised for its ineffectiveness in supervising government activities. Deputies themselves are unhappy with the situation.

"For example, last year's deficit ought to be two billion yuan (HK\$4 billion) according to the financial budget passed by the last NPC. However, we were later told that the deficit actually reached 9 billion yuan. No one has ever come to explain to us how and where has the other 7 billion yuan gone," said said Hong Kong deputy Mr Ng Hong-man.

Deputies have likewise criticised the government for moving too quickly to carry out price reform last summer, which they blame for galloping inflation. Some have criticised the Standing Committee for failing to hold a discussion on price reform last year.

Without the ability to question officials, deputies have not been able to clarify who was responsible. Deputies say the lack of communications between the NPC and government departments makes it hard to get first-hand information on state issues.

To ensure greater power for the body, deputies have suggested the Standing Order require that all state leaders be selected on a multi-candidate basis by the NPC.

Standing Committee Vice-chairman Mr Wang Hanbin said the matter was still under discussion and could not be included in the Standing Order.

**Deputy Interviewed on Legal System**  
OW0104033089 Beijing XINHUA in English  
0217 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—China should establish a civil law system and a commercial law system at an early date to ensure a healthy development of a socialist market economy, said a legal affairs official here today.

This is the view expressed by Sun Wanzhong, a deputy to the National People's Congress (NPC), China's parliament, and director of the Legal Affairs Bureau under the State Council, in an interview with XINHUA here today.

Top priority, Sun said, should be given to enactment of laws on proprietary rights and debt handling.



"That's because we now see increasing activities involving the transfer of land-use rights, property mortgages, the commercialization of housing and the sales of shares of state-owned enterprises," he said.

As there does not now exist a legal system on proprietary rights, he said, activities involving changes of proprietary rights do not have any legal principles to go by.

An absence of laws on debt handling, he said, makes many economic activities difficult. Auctioning, for example, is now done without the guidance of any laws.

In the establishment of a commercial law system, Sun said, priority should be given to enacting a corporate law, which will stipulate conditions for the establishment of companies, the form of organization, responsibilities and distribution of profits. This will avoid government departments running companies.

Sun said legislation in general should concern enterprise self-development mechanism, market order, government supervision and social environment.

He expressed the hope that a basic legal framework for regulating relations of a market economy will be built up in five to 10 years, with civil law and commercial law as its main content.

Sun also calls for formulating a securities law stipulating norms for the issue, purchase, transfer and trading of securities, stocks and treasury bonds.

Besides, he said, rules and regulations should be formulated on the management of production materials and equipment market, labor market, technology market and inter-bank loans. This, he said, will remove the chaos now seen on these markets.

Also important is the enactment of laws on state planning, investment and state budget to ensure that the national economy is managed not at will but scientifically.

#### **Supreme Court President on Supervision**

OW0204054989 Beijing Domestic Service  
in Mandarin 1030 GMT 31 Mar 89

[Text] Ren Jianxin, Shanxi deputy and president of the Supreme People's Court, visited the Shanxi delegation this morning to listen to deputies' comments on his report on the work of the Supreme People's Court. Touching on the question of how to deepen the court cadres' sense of honesty and integrity, he said: I welcome you deputies to supervise our court cadres. Whoever discovers any court cadre displaying nepotism, taking bribes, or bending the law for the benefit of his relatives or friends may write a letter directly to me. I will certainly keep the letter secret, personally write a letter in reply, and seriously investigate and handle the case. I will ask the NPC session personnel to relay my remarks

to all delegations through the conference bulletin. I am willing to establish a hotline with more than 2,900 NPC members. President Ren Jianxin's remarks were welcomed by the deputies with warm applause.

#### **Deputies Stress Clean Government**

OW0404045289 Beijing XINHUA Domestic Service  
in Chinese 1517 GMT 2 Apr 89

["Deputies' Voice, People's Wishes—Proposals Made by Seventh National People's Congress [NPC] Deputies," "Local Broadcast News Service"]

[Excerpts] Beijing, 2 Apr (XINHUA)—Deputies to the Second Session of the Seventh NPC have put forth 411 proposals, many of which have advanced constructive ideas on developing political power, clean government, public order, promoting socialist spiritual civilization, and other questions concerning the masses.

#### **Perfect Organizations, Strengthen Supervision**

Wang Shuwen and 31 other deputies proposed: Since the current Constitution was instituted and implemented, it has played an important role in state life. However, the NPC lacks a special committee to help supervise the enforcement of the Constitution. As a result, supervision of the Constitution remains to be improved. Therefore, it is essential to establish a special constitutional committee under the NPC to guarantee the enforcement of the Constitution.

Qing Changgeng and 38 other deputies proposed: Today, China's supervisory organizations are under the jurisdiction of the Ministry (Bureau) of Supervision, which belongs to the government system. These supervisory organizations have done much work in investigating and handling discipline violation cases. However, these organizations are helpless when they investigate and handle government organization leaders who have broken the law because under the leadership of the administrative departments at the higher level, they cannot effectively supervise the government and its leaders. Therefore, we propose that a supervisory committee be set up within the NPC Standing Committee with staff members elected or appointed by the NPC from among deputies representing the CPC, all democratic parties, and all strata of society. This committee will supervise the government on behalf of the vast majority of the people. [Passage omitted]

#### **Enact Laws and Regulations on Clean Government, Further Eliminate Corruption**

Xiao Chengliang and 31 other deputies proposed: Currently, some corrupt phenomena have appeared in state organizations, distorting social values and obstructing and undermining reform and development. We suggest the following solutions: 1) Strengthen ideological education. 2) Resolutely launch a struggle against corruption with emphasis on opposing graft and accepting bribes;

impartially enforce the law; and handle each case only after it has been investigated and confirmed. 3) Perfect a clean government system and incorporate clean government in the realm of democratic politics. We must bring out into the open affairs that we handle and set up a complete supervisory system. We should set up a system of cadres declining an offer or resigning from a post in order to avoid likely suspicion of favoritism; an exchange system among leading cadres should also be incorporated. We should also establish step by step a personal property report system and crime reporting system for the masses. 4) Leading cadres at all levels must set an example of clean government. They should maintain their integrity in adversity and strictly enforce the law.

Wu Kangmin and 30 other deputies proposed: Laws and regulations on clean government should be enacted as soon as possible so the people can have a legal basis for supervising cadres, ranking cadres in particular. Laws and regulations should contain: 1) provisions requiring cadres above the department or bureau level, when elected or appointed, to declare their personal property (including real estate and savings accounts) and all standards of living (residences, cars, etc.) paid for by the government so the masses can supervise; 2) standards and a system for leading cadres to host banquets at public expense; 3) provisions to bring administrative organizations at all levels into the open; and 4) provisions to strengthen the authority of government supervisory departments at all levels and to maintain close ties between supervisory departments and the masses. [passage omitted]

#### **Strengthen Construction of Socialist Spiritual Civilization**

Deng Xiancan and 31 other deputies proposed: We must reduce the overheated economy, but must heat up construction of spiritual civilization. We suggest that a high tide of promoting spiritual civilization be launched across the country. Education in spiritual civilization, in ideology and moral character, in the legal system, and in patriotism must be conducted among all children, young people, and adults. Press, publishing houses, and radio and tv stations throughout the country must boycott "riffraff" culture, eliminate everything that poisons our young people and erodes the soul, and publicize lofty moral character and the outlook on life which advocates dedicating oneself to mankind.

Nie Binglin and 29 other deputies proposed: Today, there exists a serious tendency of paying attention to economic results and belittling social benefit [she hui xiao yi 4357 2585 2400 4135] in our cultural activities. This tendency greatly damages our society, particularly our young people's physical and mental health. Some books and magazine are in poor taste. Our markets teem with publications that have vulgar and even pornographic and obscene contents. Each year people watch more and more sword fights, holdups, and emotional

films and videotapes which describe in great detail crimes and sex and blindly claim truthfulness and credibility. These unhealthy things in our cultural life have seriously affected our young people's physical and mental health. To seriously solve these questions, we suggest: 1) strengthen and unify management in order to stop loopholes being taken advantage of by outlaws; 2) perfect the legal system, enact relevant laws as soon as possible, and publicize the legal system to deter criminals and to educate the masses; and 3) increase investments to develop more healthy products for young people, to help them in the ideological battle, and to raise their ability to fight erosion. [passage omitted]

#### **PLA Deputy Urges Ideological Work**

*OW0304023589 Beijing Domestic Service  
in Mandarin 1100 GMT 2 Apr 89*

[Text] Our station reporter Wang Shude interviewed PLA deputy Xue Lili. Her views were as follows:

I feel that over the past several years our ideological and political work has markedly weakened, from upper levels to the grass roots. In some departments we have even given up leadership in ideology. As a result, the ideological sphere has been thrown into great confusion. We may say that those who made some mistakes in economic work can be excused because they lacked experience, but the slackening of efforts for ideological and political work is a mistake that should not have been made. This is because ideological and political work forms our party's very ability to grow and thrive. We should never abandon this superiority.

All things are done by people, and people can think. In order to work well, we must have a policy, a system, discipline, and laws and regulations to set standards for this work. We also rely on enthusiasm and initiative. Only in this way can we have the tremendous rallying power to turn our moral strength into huge material strength.

For instance, as regards reform, we should make sure the people understand the significance of reform, the goal reform is to reach, and the steps to be taken. At the beginning of the reform we publicized that we are reforming in order to abolish egalitarianism and the corrupt distribution practice of everyone eating from the same pot. Everybody supported this. However, today we again face the question of unfair distribution and everybody is unhappy about it. We must use ideological and political work to clearly explain why this question exists and how it can be solved to the masses. Otherwise, forming a consensus and mobilizing all people to concerted reform efforts are out of the question.

I believe that there can be no gaps in the ideological sphere. If gaps are not occupied by correct ideology, then various erroneous ideologies will certainly occupy them. In this connection, the Party Central Committee must formulate a specific guiding ideology and a clear-cut

stand to tell what it advocates and what it opposes, instead of looking weak in face of various erroneous trends of thought. Leading cadres must not only set an example for all people in the country, but also conduct an overall study of ideological control as a mechanism, adopt specific measures, and strengthen spiritual civilization.

I think that in order to strengthen the ideological and political work, we must first improve it. People have flesh, blood, and emotions. Therefore, ideological and political work should also be rich and colorful. It should not rely on simple principles or slogans. In other words, ideological and political work should be continuously substantiated and developed. Ideological and political work should also be done at multiple levels and in a variety of forms. Only thus can we guarantee the improvement of the economic environment, the rectification of economic order, and the development of reform in depth.

#### **Hong Kong Delegate Notes Fang Lizhi Case**

HK0104044889 Hong Kong HONGKONG STANDARD  
in English 1 Apr 89 p 8

[Text] A Hong Kong deputy of the National People's Congress (NPC) yesterday referred to how dissident Professor Fang Lizhi was prevented from attending a banquet hosted by President George Bush when discussing a new law by which citizens can sue the government for administrative wrongdoings.

Miss Liu Yiu-chu, a lawyer, said the Administrative Litigation Law, if passed by the ongoing NPC session, would be another step forward for reforms.

However, other mainland deputies expressed concern over the rash passing of the legislation.

In the group discussion by Hong Kong and Macao deputies, Miss Liu said rights of a citizen also included freedom from official interference in people's personal activities, like attending a banquet.

Without mentioning Prof Fang's name, she criticized the action of blocking citizens' activities.

Prof Fang and his wife were barred by security officers from attending a banquet hosted by President Bush in February while visiting China.

Present at the group meeting were Mr Wu Fusheng, member of the Legislative Work Committee, Mr Zhang Sixing, deputy head of the Supreme People's Procuratorate, and Mr Wang Jie, vice minister of the Administrative Court of the Supreme People's Court.

Some mainland deputies from Shanghai, Zhejiang and Guangxi, expressing concern over the rash passing of the law, said that the absence of relevant laws and regulations concerning the administrative work would cause difficulties in enforcing the new law in the grassroots units.

Another deputy said that if a citizen lost a law suit against an official, he could face retaliation.

#### **Qiao Shi Addresses Shanghai Deputies**

OW0104063589 Beijing Domestic Service  
in Mandarin 1030 GMT 31 Mar 89

[Text] Qiao Shi, NPC deputy from Shanghai and member of the Standing Committee of the Political Bureau of the CPC Central Committee, this morning attended a group meeting of the Shanghai delegation. In his speech, he said: A basic lesson drawn from socialist construction is that we should not be overanxious for quick results. To be overanxious for quick results is understandable, but we must never regard it as our guiding ideology or guiding principle.

Touching on promoting party style, Qiao Shi noted: To promote party style, the leaders must first set an example; that is, the party Central Committee should take the lead.

#### **Development of Democracy Requires Time**

HK0304060589 Beijing ZHONGGUO XINWEN  
SHE in Chinese 1300 GMT 29 Mar 89

[Report by Wang Xiaohui (3769 0879 2547): "China Will Take Time to Develop Democracy—Interview With Yang Jingyu, Vice Chairman of NPC Standing Committee Legislative Affairs Commission"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 29 Mar (ZHONGGUO XINWEN SHE)—China's senior politician Peng Zhen has said, democracy takes time. We should not be afraid of the trouble of following democratic procedure. China has suffered from rule by man. Now they prefer to give time to democratic procedure in order to avoid endless harm resulting from nondemocratic decisions, and do not see the procedures as unnecessary and overelaborate formalities.

The 7th NPC's 2d Session has been discussing the draft for NPC Rules of Procedure, which, if passed, will be China's supreme power organ—the first set of rules of procedure for the NPC since its birth. Concerning this, an interview has been conducted with Yang Jingyu, vice chairman of NPC Standing Committee Legislative Affairs Commission.

Yang Jingyu said, without a compass, a circle cannot be drawn. The nature and core of China's socialist democracy is to let the people be masters of the country. But the essence of democracy must be protected and realized through the corresponding democratic procedures.



Drawing up a set of procedures embodying the democratic principle is the indispensable content of perfecting a democratic political system. Its implementation enables the country's highest organ of authority to exercise the duty and power vested in it by the Constitution in a democratic and lawful manner, and symbolizes a step forward by the NPC toward its institutionalized and legalized functions. Viewed for the long term, drawing up democratic procedures will save time; although it is simple for one person to make a decision, a mistaken decision will bring a series of troubles.

According to our information, the drafting of the "Rules of Procedure" was considered upon request by many NPC deputies. Each year when the deputies gathered in the capital, they had the relevant proposals. In 1981, China amended its Constitution, and the drawing of Rules of Procedure began to be placed in the Standing Committee's legislative agenda. Last August saw the birth of a draft for solicitation of opinions, since then the draft has been rewritten more than 10 times. The draft has more than once been distributed to the People's Congresses in the provinces, autonomous regions, and municipalities directly under the central government, and to various central government departments, and discussion sessions have been held by committee members and experts, with the result that the final draft has now been put forward.

It has been said that Wan Li placed extraordinary stress on democratization and scientific manner of decision-making when the "Rules of Procedure" was being amended. He thinks that, only if democracy is developed, can the scientific and practical nature of decision-making be guaranteed.

Yang Jingyu sums up the basic spirit of the "Rules of Procedure": Whenever the NPC makes legislation or important policy for the country, there must be adequate discussion and democratic decisions in order to truly collect and represent the people's will and interests.

The draft stipulates that there must be group meetings, delegation meetings, and professional meetings to enable deputies to fully express their will, and provide chances for exchanging ideas and discussing extremely professional problems. In addition, plenary sessions can be held, and different ideas can be discussed and debated.

The draft provides for collective decisionmaking. On the basis of developing democracy, the decisions made by the NPC must be voted for or against by all deputies.

Yang Jingyu said, if the opinion of the minority is proven correct in the course of practice, then the law will be revised. The principle of one person one vote ensures that everyone has equal participation rights in decision-making, and the NPC must make decisions according to the view of the majority.

The drafting of the "Rules of Procedure" at a time when democracy and openness have become fashionable in China, also acquired for the document heavy publicity, of which the most eye-catching were the public gallery and open reporting of the number of votes.

According to our information, the public gallery will not limit extending invitations only to members from government departments, social groups and foreign diplomats stationed in China, but will open to the public. At present, the draft provides for tight principles for the public gallery. Yang Jingyu said, we do not have enough practical experience in running a system of public audience, and a regulation or detail will be discussed at a later date.

Yang Jingyu told reporters that the results of NPC votes, the designation of offices, and the number of votes for candidates should be announced, not only in the Congress, but to society. According to our information, there has been a common consensus for the regulation in the Standing Committee and the Committee Chairman Meeting.

**State Official on Nationalities Affairs**  
*HK3103102789 Urumqi Xinjiang Regional Service*  
*in Mandarin 1230 GMT 30 Mar 89*

[Text] On the afternoon of 27 March, during a plenary meeting of the Xinjiang regional delegation to the current session of the National People's Congress [NPC], Minister of the State Nationalities Affairs Commission Ismail Amat, delivered a speech on the special topic of nationalities affairs.

Having expressed his high appreciation of the achievements in nationalities affairs, Ismail Amat said: While positively appraising the achievements, we do not hesitate to acknowledge the existing problems, the major ones being the pretty slow progress in economic and cultural development in areas inhabited by minority nationalities; the existence of some issues that have yet to be dealt with in the implementation of the Law on Autonomy for Nationality Regions; the unfavorable influence of some factors on nationality solidarity; and the sabotage by a handful of separatists who, instigated by hostile forces at home and abroad, are attempting to split the motherland behind the camouflage of nationalism and religion.

How can we handle nationality affairs properly in the new historical period? In answering this question NPC Deputy Ismail Amat said: In compliance with the general guidelines for nationalities affairs in the new period, the fundamental tasks both set by the CPC Central Committee and the State Council, and in compliance with the principle put forth by Premier Li Peng in his government work report to the NPC session, we must first make greater efforts to foster a kind of socialist nationality relations characterized by equality, unity, and mutual aid, and to develop a social environment still more

favorable to the operation of improving the economic environment and rectifying the economic order and to the in-depth development of the reform. We must conscientiously investigate and study all new circumstances and issues with regard to nationality relations, work out correct solutions and measures, do our utmost to eliminate all factors that may cause instability, take a clear-cut stand in the struggle against all separatist activities, and make unremitting efforts to enhance solidarity among all the nationalities of China. Second, we must earnestly implement the principle of improving the economic environment and rectifying the economic order, make every effort to ensure a continuous and steady economic development in minority nationality areas, speed up the opening-up process in these areas, and help the masses end poverty and get rich as soon as possible. Third, we must attach great strategic importance to the development of education in the interests of minority nationalities. In light of the actual circumstances in minority nationality areas, we must focus our attention on general education and on primary and intermediate vocational and technical education, and train a greater number of junior and intermediate technical personnel so badly needed in these areas, while properly running all the existing educational institutes. Meanwhile, it is necessary to develop higher education in a planned way to foster intermediate and senior scientific and technological personnel. Fourth, we must make more efforts to implement the Law on Autonomy for Nationality Regions properly. It is necessary to closely integrate the implementation of this law with structural reform in minority nationality areas and thus build up a structure which is full of vitality and which will enable the people of all nationalities to give full play to their roles as the masters of the country. In this connection, we must show a high sense of responsibility in training and employing minority nationality cadres and take up this task as an urgent one, to perfect the autonomous system for nationality regions and to speed up the four modernizations program.

#### **Wang Fang Joins Discussion**

OW0404034889 Hangzhou ZHEJIANG RIBAO  
in Chinese 25 Mar 89 p 1

[Special dispatch from Beijing by ZHEJIANG RIBAO reporter Qian Liming]

[Text] Everyone aired his views freely and higher and lower levels compared notes on how to formulate good policies. This was the warm atmosphere at yesterday afternoon's second plenary meeting of the Zhejiang delegation to the National People's Congress [NPC]. Attending the meeting as non-voting delegates were Wang Fang, state councillor and minister of public security; Gan Ziyu, vice minister in charge of the State Planning Commission; and Ai Zhisheng, minister of radio and television. The non-voting comrades listened to the deputies' opinions and briefed them on matters which they were concerned about.

At the beginning of the meeting, Governor Shen Zulun first briefed the non-voting responsible comrades on several major questions which drew the Zhejiang deputies' attention when they were examining and discussing the government work report over the last few days. He said: The deputies of our province think that initial success has been achieved in improving the economic environment and rectifying the economic order over the last 6 months, but the success should not be overestimated. There are still many problems and difficulties to overcome if we are to take a further step in improving the economic environment and rectifying the economic order. One problem is that the current efforts to curtail investment in fixed assets only affect state-owned enterprises and some collectively owned enterprises; their effect on a large number of individual investment projects is very little. Next, the unfair distribution problem has not yet been solved, and the efforts to reduce institutional purchases only affect the purchase of commodities under state control. The third problem is energy shortage. In particular, the shortage of coal is endangering the survival of enterprises, and there is corruption in coal supply. Our deputies are also concerned about foreign trade, commodity price, and financial problems, and they urge the State Council to join local governments in working out effective measures together.

Following Governor Shen Zulun's speech, the deputies also briefed the non-voting responsible comrades on certain problems. Some of them asked the responsible comrades to comment on the problems which the deputies were concerned about. The meeting was filled with an atmosphere of equality, vigor, and harmony.

Gan Ziyu, vice minister in charge of the State Planning Commission, briefed the deputies on the current situation with respect to the problems they pointed out. On the energy problem, he said: The state is planning to set up a unified coal transport and electricity management group, set unified freight charges for transport of coal within and outside plans, and reduce intermediate links in transport. Gan Ziyu was followed by Chen Anyu, chairman of the Zhejiang Provincial People's Congress Standing Committee. Chen said: To solve the serious problem concerning coal supply is an important part of the efforts to improve the economic environment and rectify the economic order. Successfully solving this problem will indicate the success of the efforts and lay the necessary material foundation for enterprises to develop production. This is a wish of our people's deputies as well as a test of our state leaders abilities to govern the country.

Vice Governor Li Debao suggested that the government work report be revised to contain measures to solve the coal supply problem.

One of the deputies asked Wang Fang to discuss public order problems. Comrade Wang Fang briefed the deputies on the achievements made in improving public order

throughout the country last year and discussed major problems now concerning public order. He said: We will intensify our comprehensive efforts to maintain law and order this year, build an effective crime prevention system in society, and strive to ensure better public order this year than last year.

The deputies vied to take the floor even after the meeting had lasted 3 hours. Zhu Puqiang, a senior engineer of the Hangzhou City Chemical Research Institute, spoke last. In the presence of Minister of Radio and Television Ai Zhisheng, he criticized certain television programs for being unhealthy and showing too much violence, resulting in love affairs, gang fights, and vicious crimes among some middle school students. Ai Zhisheng seriously noted his opinion and said: You are right. We will study the problem and ensure that it is corrected.

#### Education Minister, Officials Questioned

OW0204010089 Shanghai City Service in Mandarin  
2300 GMT 27 Mar 89

[Special dispatch from Beijing by Shanghai reporter (Yuan Hui) on news from the ongoing NPC session]

[Text] At 1730 on the afternoon of 27 March, a meeting of the Shanghai delegation was about to end. After Zeng Tuobin, minister of foreign economic relations and trade, and Zhu Kaixuan, vice chairman of the State Education Commission, answered a number of questions raised by the Shanghai deputies, and as Deputy (Zhang Zongli) was about to announce the end of discussions, Deputy Chen Xianglin, chairman of the Shanghai Municipal Planning Commission, suddenly raised this question: At a press conference 2 days ago, He Dongchang said that Comrade Deng Xiaoping has pointed out that the biggest mistake in the reform is that education has not been sufficiently developed. This statement is good news. I would like to ask Vice Chairman Zhu Kaixuan: What is your view concerning this statement?

Vice Chairman Zhu Kaixuan, who was momentarily rendered speechless by this sudden question, said: This question should be answered by Comrade He Dongchang, but I think I understand Comrade Xiaoping's statement. What he means is that the whole party and society must try to understand the problem of education from a new angle and solve the problem accordingly from both within and without. Tomorrow morning the State Education Commission will hold an executive meeting to study and discuss this statement by Comrade Deng Xiaoping.

The atmosphere of the meeting was immediately galvanized by Deputy Chen Xianglin's question. (Zhang Yuanjun), vice chairman of the Shanghai Municipal Committee of the China Democratic National Construction Association, said sharply: It has been reported that illegal activities of buying and selling import licenses are going on in our country. Why is it that no action has been taken against people who do this?

Obviously surprised by the question, Minister Zheng Tuobin answered: We have also heard about this, but investigations have turned up nothing so far. Neither sides would admit it. This is really a difficult problem.

This immediately caused the deputies to murmur.

Ever alert to such situations, television reporters immediately turned on their lights and aimed their cameras at the speaker. Other reporters reopened their closed notebooks.

After raising his hand several times, Deputy (Wang Pinsheng), a professor from Tongji University, said: It is very difficult for the government to find jobs for today's college graduates. How will the State Economic Commission solve this problem?

Zhu Kaixuan replied: There are a number of problems complicating the difficult problem of job assignments for college graduates; for example, there is near-sightedness among enterprises and institutions and the shortage of qualified teachers in the schools. He also disclosed that at present the state is still essentially responsible for job assignments for college students. Even the concept adopted for the intermediate stage of reform does not require students to find job themselves but will let the schools act as go-betweens to readjust to the relationship between supply and demand.

Deputy (Cai Yana), chief engineer of the Shanghai (Wuxing) Chemical Plant, asked: Who is responsible for so many duplicate imports?

Zheng Tuobin answered: The Ministry of Foreign Economic Relations and Trade is in charge of imports. It promulgated regulations last year.

(Cai Yana) asked: Doesn't unimplemented regulations mean no regulations?

Zheng Tuobin replied: Whoever fails to implement the regulations will be punished.

Not the least intimidated, (Cai Yana) said: Who is responsible for conducting investigations? Who is responsible for meting out punishment? How many people have actually been punished so far?

At this point, even the reporters were shocked by this fiery exchange of words.

Getting impatient, (Gao Runhua) and (Ying Guofang), deputies representing Shanghai's middle and primary schools, shouted: To increase revenue, middle and primary schools have opened shops on campuses at the cost of lowered education quality. What should be done about this?



After some deliberation, Vice Chairman said: The schools' principal mission is developing the students' talents. In addition to institutions of higher learning which are allowed to engage in work to serve the society, the middle and primary schools should also be allowed and encouraged to sponsor productive activities in an organized manner because this is a new way to increase school revenue. However, supervision must be strengthened with regulations and systems, and normal teaching should not be affected. Of course, schools that do not have the necessary conditions will not be allowed to increase revenue by such means.

Deputy (Zheng Linxin), chief accountant of the Shanghai Branch of the Chinese Industrial and Commercial Bank, was the last to speak. He asked: Manufacturers are raising prices when selling their export commodities on the domestic market, but they compete with one other to roll back their prices when selling to foreigners, causing great losses for the state. Last year, the Ministry of Foreign Economic Relations and Trade advanced a policy of uniting against the foreigners. How has this policy been implemented?

Minister Zheng Tuobin frankly answered: I agree with your view. The problem is very serious today. We are responsible for this problem. However, we also have difficulties. The various localities are competing with one another to increase exports. We plan to impose price controls and set up a number of chambers of commerce.

The 30-minute overtime discussion finally ended. Checking our notebooks, we found that during that half hour, 10 Shanghai deputies had asked a total of 16 questions.

#### Deputies Stress Technology Development

OW0404064589 Beijing Domestic Service  
in Mandarin 2230 GMT 2 Apr 89

[News roundup: "Science and Technology Are the Hope of China's Development"]

[Excerpts] During the NPC and CPPCC sessions this year, the improvement of the economic environment, the rectification of economic order, education, agriculture, the promotion of a clean government, hard work and arduous struggle became popular topics; but the call for developing science and technology was relatively weak. NPC deputies and CPPCC National Committee members from science and technology circles sincerely pointed out: The strategic position of science and technology must never be ignored. In the long run, science and technology are the most important productive forces of economic development.

In 1978, Comrade Deng Xiaoping noted: The key to the four modernizations is the modernization of science and technology. However, 10 years have elapsed. How much progress have we made in the fields of science and

technology? To compare China with developed countries, deputies cited the following facts: Because of our backwardness in science and technology, China's investments produce very poor economic results today. The productivity of a Chinese worker averages only 1/53 of a U.S. worker or 1/37 of a Japanese worker. [passage omitted]

Deputies and members were disturbed by the following: NPC deputy Hu Keshi said that since 1984, the proportion of our input in science and technology to the expenditure of the state as a whole has been dropping year after year. Its growth has also been slower than the growth of our revenues.

Chen Hankui, member of the CPPCC National Committee, said: Labor-intensive products like leather shoes should be China's strong export products which earn foreign exchange. However, because of our backward techniques of storing leather materials, we have continuously failed to win a dominant position in international competition. [passage omitted]

In developing science and technology, people naturally pin hopes on scientists and technicians and look forward to their shouldering an important historical responsibility. However, deputies and members are loudly raising the question of stability for scientists and technicians, who have not been paid the attention they deserve.

Deputy Yao Jinzhong said: Inflation and the relentlessness of the phenomenon that those who work with their brains earn less than manual workers have sapped the morale of scientists and technicians. In the Chaosheng Instrument Institute in Shantou City, Guangdong, which is led by Yao, four college graduates have resigned to engage in foreign trade. [passage omitted]

Some veteran scientists sincerely and earnestly said: Stabilizing the positions of scientists and technicians and developing the cause of science and technology can bring good fortune to the country and the nation.

#### Zheng Tuobin Cited on Trade War

OW0404034689 Beijing XINHUA Domestic Service  
in Chinese 1231 GMT 28 Mar 89

[By reporters Wu Shishen and Li Zhiyong: "Local Broadcast News Service"]

[Text] Beijing, 28 Mar (XINHUA)—On 27 March, Zheng Tuobin, minister of foreign economic relations and trade, said that the state will take stringent economic and administrative measures to prevent a "war" over agricultural products. The foreign trade departments have listed 20 major commodities under the category requiring strict administration to prevent any mishap this year.

At a meeting of the Shanghai delegation attending the Second Session of the Seventh National People's Congress [NPC], Zheng Tuobin specifically analyzed the causes leading to the "rabbit fur war" and the "ramie war." He said: Foreign trade was monopolized by one company in the past. It is now operated by many companies. Profits and interest are shared by many companies. Some localities and departments rush headlong into keen competition whenever they see the opportunity to make money at international market prices. Meanwhile, different conditions in the cost for conversion of foreign exchange between localities and between departments also result in abnormal outlets for commodities. Frequent occurrences of trade "wars" are mainly the result of inadequate policies and supportive measures in the course of reform. In particular, they are caused by the fact that domestic pricing system has not been rationalized yet. Zheng Tuobin admitted that the Ministry of Foreign Economic Relations and Trade is responsible for some trade "wars."

Zheng Tuobin disclosed that the State Council will carry out direct intervention through administrative and economic means to prevent a new product "war."

**Delegate Cited on Economic Environment**  
OW0404074489 Beijing Domestic Service in Mandarin  
2300 GMT 2 Apr 89

[From ad hoc program by Chen Yanling on the Second Session of the Seventh National People's Congress and the Second Session of the CPPCC National Committee]

[Text] Dear listeners, I think most of you are not unfamiliar with the name of Ren Zhongyi. His original views voiced at each National People's Congress in the past have always drawn much attention. What are his opinions this year on the central topic of improving the economic environment and straightening economic order? Our station reporter Chen Yanling had an interview with him on this subject.

Comrade Ren Zhongyi said: I am all for the policy of improving the economic environment, straightening out economic order, and stepping up reforms stressed by Premier Li Peng in his government work report. I also support the idea of pressing simultaneously for stability, reforms, and progress, that is, carrying out reforms and achieving advancement in a stable environment.

He stressed: Economic laws are objective laws we must follow in our economic work and the law of value, as an objective law in commodity economy, is constantly in action all the time. We cannot talk highly of these economic laws one time and ignore them completely another time. Abiding by economic laws, I believe, should be the guiding ideology for the current drive to improve the economic environment, straighten out economic order, and step up reforms.

He said: In carrying out the drive to improve the economic environment and straightening economic order, we should make a special effort to handle the relations between economic and administrative measures. Whether you look at it from a long-term standpoint or in its essence, economic measures are very essential; while under certain circumstances it is also absolutely necessary to take certain administrative measures. As we are now in the juncture of transferring from the old system into a new system, for instance, we have to adopt administrative measures to interfere when needed; however, we must try not to go back to the overcentralized system of the past as we move along. As is emphasized in Comrade Zhao Ziyang's report to the 3rd Plenary Session of the 13th CPC Central Committee, the purpose of administrative measures is to smooth the way for reforms and to avoid returning to the old ways, of which we ought to have a clear understanding.

At this point in time, Comrade Ren Zhongyi began to talk about his views on today's overheated economy. He said: By and large, our economy is overheated; it is indeed necessary to scale down both capital construction and social demands, readjust, and cool down the economy. We should also realize, however, there are variations among the different segments of an overheated economy; for example, agriculture and basic industries such as energy, raw materials, and transportation are not overheated at all. What is overheated mainly is the processing industry. Yet, here again, we have to make further differentiation. For instance, light industries producing daily necessities such as sugar, salt, and paper and export product processing industries with good profits should be encouraged to grow. To do any scale-down, we have to conduct an in-depth study and be practical and realistic in carrying it out. We also have to take into consideration market demands, economic benefit, technological advancement, availability of resources, and the supply and demand on the global market. By doing so, we may succeed in improving the economic environment, straightening out economic order, and minimizing our losses.

Comrade Ren Zhongyi said: There is also the issue of bringing forth the localities' initiatives in connection with the drive to improve the economic environment and straighten out economic order. Recently at a coastal areas work forum, the central authority stressed determination in two areas, that is, the determination to carry out the drive to improve the economic environment and straighten out economic order as well as the development strategy for coastal areas. Premier Li Peng also made this point very clear in his government work report, pledging to continue the effort to foster an export-oriented economy and adopt a policy of flexibility toward coastal areas which, incidentally, is embraced by the coastal areas. He hoped that the state will soon flesh out the idea of flexibility and adopt practical and feasible measures.

Ren Zhongyi also pointed out: In carrying out the drive to improve the economic environment and straighten

out the economic order, we should try not to block off the inland, but also provide it with some openings as well, and thus bring forth localities' initiative and creativity. They will then realistically carry out central policies, searching for practical solutions and reducing mistakes, and strive to help improve the economic environment and straighten out economic order.

#### Deputies Discuss Western Region Economy

OW0204000789 Beijing Domestic Service  
in Mandarin 2230 GMT 31 Mar 89

[Sidelights on the NPC and CPPCC sessions by station reporter (Nasun Baoying): "The Appeal by Western Regions"]

[Text] At this year's NPC and CPPCC sessions, almost all the NPC deputies and CPPCC National Committee members from the western provinces and regions unanimously pointed out a stark truth: The gap between the western regions and the developed coastal regions is widening, not narrowing. Most of the 55 minority nationalities of China live in the vast western regions, which account for 63 percent of China's total area. Compared with the prosperous eastern regions, it seems that the western regions have just regained consciousness.

According to Peng Yingming, a deputy from Hubei Province, about 10 million people of minority nationalities in China have not yet solved the problem of the basic need for food and clothing. In many localities, the annual per capita income is below 100 yuan, many people are illiterate, and skilled personnel are scarce. When a rich young man in Guangzhou cheerfully spends 100 yuan on a pair of U.S.-made, name brand shoes, he does not know that it takes a peasant in the western region 360 days of work on the Loess Plateau to earn that much. Of course, we are not trying to return to the utopian egalitarian society favored by Confucius. The government policy of reform and opening to the outside world is just being implemented in some places sooner than in other places, and the state investment is made in the order of priority. Moreover, the coastal regions indeed have a good investment environment. Western regions and regions of minority nationalities always adhere to the principle of subordinating their interests to the interests of the whole country.

Ma Li, a deputy from Ningxia, said: It is correct to let the coastal regions enjoy a special policy, but we should not overlook the development of the western regions, particularly the regions of minority nationalities. China's major natural resources are in the western regions. In a long term, the stress of our national economic development should be shifted to the western regions in a planned way. Such a strategic change will ensure ample material supply to the coastal regions and benefit the development and prosperity of the western regions. General Secretary Zhao Ziyang, who worked for many years in minority nationality regions, pointed out at a tea

party early last year that in our work among the minority nationalities, we have found that more and more of them are eagerly demanding the acceleration of their economic and cultural development.

He Haiqing, a deputy of Yushu Nationality in Yunnan, expressed the aspirations shared by many deputies. He said: Stressing political equality in an ordinary way can no longer satisfy the demands of the people of all nationalities for ending poverty. Our country has a major basic law—the Regional Autonomy Law of Nationalities—which is second only to the Constitution in importance. The regional autonomy law has been promulgated for 5 years, but so far we haven't formulated any detailed rules and regulations for implementing it. The special policies adopted by the government for coastal regions and special economic zones are even greater in number, more liberal, and more flexible than the policies for minority nationality regions. A circular from a ministry or commission under the State Council can nullify certain articles of the Regional Autonomy Law of Nationalities.

Yang Ming, a deputy from Yunnan, said in a serious manner: Of the 127 counties in Yunnan, 103 have financial deficits, but the central government has revoked the provision that its subsidies to minority nationality regions be increased 10 percent annually. If things go on this way, the Regional Autonomy Law is likely to become a mere scrap of paper.

What is the way out? Gao Shouyao, a deputy from Inner Mongolia, said: Li Peng pointed out in his report the need to readjust the economic structure and to put the stress on developing energy, communications, raw and processed materials, and other basic industries. His idea has given some hope to the minority nationality regions. Deputies of all nationalities hope that the state will gradually readjust its policies and enhance the vigor of the western regions in development.

Yunnan Governor He Zhiqiang said: Some comrades often question whether we should put the stress of our industries on the eastern regions or western regions. I think that we should treat different industries differently in accordance with the industrial policy of our country. For instance, Yunnan is shipping a large quantity of phosphorous ore out of the province for processing, while it is actually more economical to process them right in the province.

After this reporter left the deputies' group discussion and walked into the large, brightly lit hall, I thought about the deputies' words, which were filled with both worries and hopes. I was unsure how to write about them. I think that the western regions will be nearer to us if we truly understand the aspirations of the deputies of minority nationalities instead of merely being interested in taking pictures of them because of their colorful costumes.



**Official Comments on Economic Legislation**  
*HK0304033589 Beijing ZHONGGUO XINWEN*  
*SHE in Chinese 0351 GMT 31 Mar 89*

[Report by reporter Zhang Liang (1728 0081): "Sun Wanzhong on China's Foreign Related Economic Legislation"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE)—A decade ago, the "Joint Venture Law," the first foreign related economic law enacted by the National People's Congress [NPC], raised the curtain on China's foreign related economic legislation. Of the 82 laws enacted by the NPC and the nearly 500 administrative rules and regulations worked out by the State Council since then, about 250 come under the category of foreign related economic legislation.

A few days ago, Sun Wanzhong, NPC deputy and director of the Legislation Bureau of the State Council, briefed reporters on the development of foreign related economic legislation.

Director Sun said: As a basic policy of our state, opening up to the outside world was incorporated in the new Constitution in 1982. It has thus become a fundamental basis for conducting foreign related economic legislation. It can be said that all major fields of opening up to the outside world now have "laws to go by" and that the foreign related economic law system has basically taken shape.

In coordination with the foreign related economic legislation, China has also joined or approved some international conventions, signed bilateral investment protection agreements with 24 countries and agreements for avoidance of double taxation with some countries.

On the outstanding issues in foreign related economic legislation, the director, who has engaged in legal work for over 30 years, said, some important laws, such as the "Foreign Trade Law," "Maritime Trade Law," and "Enterprise Law," have not been enacted. There should also be legislation on banking, foreign debts, and so on. Due to the rapid development of opening up to the outside world and our relatively poor foundation in the legislative field, we have not been sufficiently meticulous in making rational arrangements for legislative items. More often than not we pay more attention to meeting the emergencies but less attention to revising the existing laws, rules, and regulations, thus making it impossible for us to adapt ourselves to the development of opening up to the outside world. Moreover, there are also questions of insufficient coordination between some laws, rules, and regulations.

There are also quite a few problems in the enforcement of the laws. Some localities have exceeded their authorities in announcing preferential policies toward foreign countries and formulating preferential methods. After

Beijing's Zhongguancun was approved as a new technology development area, some localities followed suit without approval from the relevant authorities. Apart from Nanjing and Wuhan, a county has even announced a town as a high tech development area. In violation of the state regulations, Yunnan Province has worked out on its own a regulation on border trade, making the border areas more "special" than the special economic zones. Some other localities fail to act according to the law or substitute power for laws. The result is that enterprises using foreign investment cannot enjoy their rights according to the law and their decision-making power has often been interfered with.

In conclusion, Director Sun briefed reporters on China's tentative plan for legislation: It is necessary to firmly grasp enactment of the "Foreign Trade Law," "Enterprise Law," and so on. The existing laws, rules, and regulations should be promptly revised in light of practice and foreign legal examples. Meanwhile, it is necessary to improve legislative quality and increase openness.

The "Maritime Trade Law" is scheduled to be submitted to the NPC for deliberation this year and efforts will be made to submit the "Law Governing Territorial Waters and Contiguous Zones," "Quarantine Law Governing Imported and Exported Animals and Plants," and "Consular Privileges and Immunities Law" to the NPC for deliberation this year. Rules and regulations, such as the "Provisional Regulations Governing the Management of Foreign Chambers of Commerce," "Detailed Rules and Regulations for the Implementation of the Law Governing Enterprises Using Foreign Capital," "Regulations Governing the Management of Resident Correspondents of Foreign Press Institutions," and "Regulations Governing the Management of Export Licenses," will be promulgated or approved by the State Council this year.

**He Kang Attends Agriculture Discussion**  
*OW0104232489 Beijing Domestic Service in Mandarin*  
*2300 GMT 31 Mar 89*

[Special report by reporter (Tan Dexiang): "News From the Land of Abundance," from the "Special Program on the Second Session of the Seventh NPC and the Second Session of the Seventh CPPCC National Committee"]

[Excerpts] At the brightly lit Sichuan Hall of the Great Hall of the People, the Sichuan delegation held a special discussion meeting on agriculture. Present on the occasion to listen to the deputies' opinions were Minister of Agriculture He Kang; Liu Zhongyi, vice minister of the State Planning Commission; and some responsible persons from the Agricultural Bank of China.

Sichuan is a big agricultural province in our country. With regard to Sichuan's agriculture, NPC deputy Zhang Haoru, who is the governor of Sichuan Province, said: Last year saw a serious natural disaster, but because of our efforts, the reduction in our province's total grain

production was still less than the rate of reduction in grain output of the country. Our village and town enterprises grew by 31 percent. The number of hogs reached some 56 million head, showing an 11.3 percent increase over the preceding year. Our province supplied the largest quantities of pork and rapeseed oil to other localities in the country. The gross value of agricultural production showed a 27 percent rise, while the percentage of marketable products out of the total agricultural and sideline production was also higher than the preceding year.

Zhang Haoruo said that Sichuan Province has adopted 10 measures to boost its agriculture production this year. Among them, the principal measures are to deepen the rural reform, implement the policy of encouraging agriculture, and increase material and technological input for agriculture. In particular, he dwelt on the measure taken to strengthen agricultural service by relying on advances in science and technology. He said that 14,000 scientific and technical workers, about 70 percent of the total number of agricultural scientists and technicians in the province, have gone to the countryside to do contract work.

Referring to summer ripening crops, Zhang Haoruo said: The wheat crop is now in a fine growing condition. Last year we expanded our wheat fields by 1 million mu. If there is no serious natural disaster, we expect to have an increased output of summer ripening grain. [passage omitted]

Yan Shenggui, who is a seed breeding expert with decades of experience in developing rice strains, said that Sichuan is experienced in producing high yield and fine quality seeds for hybrid rice. He proposed that the state set up a seed producing center in Sichuan. In response to this proposal, Agriculture Minister He Kang immediately expressed determination to establish such a seed producing center in Sichuan. Sichuan now supplies hybrid rice seeds to Yunnan and Guizhou. [passage omitted]

Deputy Zhu Youli is a compatriot of Yi nationality. He said: Liangshan, Garze, and Aba are three minority inhabited areas in Sichuan. They all have a large expanse of land with good prospects for development. The state should give them support according to their needs. [passage omitted]

Expressing his feelings, Liu Zhongyi, vice minister of the State Planning Commission, said: To develop agriculture, we must give full play to the initiative of three kinds of people: peasants, agricultural scientists and technicians, and grass-roots cadres in rural areas. Only when they display their initiative can agricultural development reach a new stage.

### Cashing of 'Blank Chits' Urged

HK0404060989 Beijing NONGMIN RIBAO in Chinese  
25 Mar 89 p 1

[Report by Zhang Xiaou (1728 2556 7743) and Fu Xueliu (0265 7185 2692): "NPC Deputies Report There Are Still Many Blank Chits in the Peasants' Hands That Have Not Been Made Good"]

[Text] With a telegram from his county in hand, Yao Shaobin, a peasant deputy to the National People's Congress [NPC], said: "There are still 1.8 million yuan worth of 'blank chits' in 100,000 peasants' hands in our county, that have not been made good even to this day." Deputy Li Huixuan, head of Hubei's Xibi Autonomous Prefecture, where Yao Shaobin lives, estimated that the "blank chits" that have still not been made good in the prefecture involved more than 3 million yuan.

It is not in just one or two areas that the "blank chits" are not made good. When discussing the government's work report, Deligeer, a Nei Monggol deputy, said: "There are many 'blank chits' in the peasants' hands that have not been made good. There are only just over 1,400 people living in our township, yet there are more than 3 million yuan worth of 'blank chits'!" Su He, another deputy, said that their county recently became one of the 100 advanced commodity grain production counties in the country, but it still owes the peasants 77.34 million yuan for grain purchase, which is 622.2 percent of the peasants' total income from grain selling. This has brought about great difficulties in making preparations for plowing and sowing. Hunan deputy Wang Lianfu said that his province owed the peasants more than 90 million yuan last year, and now there are still more than 40 million yuan's worth of "blank chits" that have not been made good. It is thus impossible in reality to increase credit by means of increasing savings deposits.

Yao Shaobin then showed the reporters a deposit bill worth 20 yuan. It is a type of interest-free negotiable security circulating within the local area or township issued by the prefectural agricultural bank. In his county, there are still 200,000 yuan worth of such bills in circulation.

Deputy Li Huixuan, head of the prefecture, said that in the prefecture, there are probably 5 to 6 million yuan worth of the deposit bills in circulation. It is a remedial measure for reducing the number of "blank chits." Before the Spring Festival, about 70 percent to 80 percent of the more than 38 million yuan worth of "blank chits" in the prefecture were made good. As the purchase of agricultural and sideline products has never stopped, the "blank chits" have continued to be made while being cashed.

Yao Shaobin said that before he came to Beijing, the villagers asked him to report this matter to the NPC and ask the government to help them cash their "blank chits," because the peasants have no money to consult a

doctor, to go to school, or even to buy salt. Now business is bad in the county's market and shops. The peasants would rather exchange 1,000 yuan of "blank chits" for 600 yuan in cash. Some purchasers said: Do you want cash? All right, but you must make a discount of 20 percent. The "blank chits" have also depreciated!

During discussion, Deputy Guo Zhenqian, the governor, asked the responsible persons of the State Planning Commission and national banks whether the method of "blank chits" can be withdrawn this year when purchasing agricultural products and whether the problem can be solved as soon as possible since there are just 2 months left before the purchase starts. If we can ensure that no "blank chits" will be made this year, it will be easier to carry out other work.

Deputy Li Huixuan said if the state does not adopt measures and increase cash supply by 10 to 15 percent, it will be very difficult to solve the problem of "blank chits" merely by the efforts of the prefecture.

**Delegates Urge Agricultural Investment**  
OW0304235189 Beijing XINHUA Domestic Service  
in Chinese 1446 GMT 2 Apr 89

[From "Local Broadcast News Service"]

[Text] Beijing, 2 Apr (XINHUA)—A number of delegates to the Second Session of the Seventh National People's Congress have maintained in their motions that agriculture is a conspicuously weak segment in the national economy and that increasing input is the key to ensuring a sustained and steady growth in agriculture.

Delegate Zhang Tingwu and 29 others suggested: Currently, our investment in agriculture only takes up a very small portion in the state budget as well as in the total investment in capital construction. As a result of the severe shortage of input in agriculture, a great amount of land has not been improved or developed; many water conservancy facilities have for years been in disrepair; agro-technical equipment has become outdated; the capability to resist natural disasters has been severely weakened; and there is no long-term, staying power for the development of agriculture. They suggested drawing up an "agricultural input law" to legally establish the fundamental status of agriculture and ensure normal input in agriculture.

Delegate Wu Jinzhuang and 29 others noted that the grain issue has become a paramount problem in China's economy, and it is time to adopt a flexible policy toward agriculture. The state's current policy to scale down investment in fixed assets is, unfortunately, very rigid and offers no incentives to localities to increase input in agriculture. Therefore, they suggested that the state adopt a more flexible policy in trimming down the scale

of investment and that all investment in agriculture, forestry, and water conservancy (excluding non-productive construction projects in these areas) be exempted from the cutbacks.

Delegate Wang Deli and 30 others suggested: To get the country's agricultural production out of uncertainty of the past 4 years, we must place agriculture back onto the fundamental position where it belongs and step up the leadership in agriculture. Legislation on agricultural input should be formulated. In order to increase investment in agro-industry, concerned departments of the State Council must draw up policies and take effective steps to actively support localities to develop agro-industry. Farmers associations should be restored to protect farmers legitimate rights. Funds should be constantly poured into agricultural science and technology for the development of new strains of fine seeds, improvement of soil ecology, prevention of plant diseases and insect pests, and the training of agro-technicians.

**Development of Rural Industry Urged**  
OW0204165289 Beijing XINHUA in English  
1458 GMT 2 Apr 89

[Text] Beijing, April 2 (XINHUA)—The government should promote the development of township enterprises in order to check the influx of rural surplus laborers to cities, today's "GUANGMING DAILY" says.

Since the government has tightened its control over the investment in capital construction, quite a large number of temporary workers from the countryside have lost their jobs in cities, the paper says.

Quoting some deputies to the current session of the Seventh National People's Congress, the paper said the most practical outlet for surplus rural labor force is township enterprises.

But some deputies complained that a shortage of funds has greatly restricted the development of rural industries. They suggested that the government should take measures and extend financial support to rural enterprises.

**Article Views Deng Xiaoping's Power Structure**  
HK0304132289 Hong Kong CHENG MING in Chinese  
No 138, 1 Apr 89 p 20

[Article by Mai Wen-pin (7796 2429 1755): "Deng Objected to Original Draft of Li Peng's Report"]

**[Text] Military Dictatorship in Disguised Form**

When the two meetings were in clamorous session in Beijing recently, I discussed a question with certain cadres who are close to the state center of power in Zhongnanhai and certain Eastern and Western observers



permanently stationed in Beijing: Is the structure of Deng Xiaoping's party and state power strong enough? Despite the worldwide trends of peace, democracy, and scientific and technical progress, why is the CPC still conservative and stubborn compared with the communist parties of the Soviet Union and East Europe?

Compared with the communist countries in East Europe which are following a reformist line, we should say that the current power structure of the CPC is the most conservative, and comparatively stable as well, because those who control the organs of state power are basically still those elderly statesmen and important officials of the Mao Zedong era. Over the past 10 years, the so-called structural reform pursued by Deng Xiaoping has been principally based on Mao Zedong's political principle (the six political criteria have been changed into the four cardinal principles). Deng has done several things: Abolished the post of party chairman and restored the secretariat in order to avoid dictatorship and autocracy as well as personality cult, and established the Central Advisory Commission to absorb the elderly statesmen and officials. Actually, Deng Xiaoping himself has always been the head of the family.

The highest leadership stratum of this centralized autocracy, which is more powerful than that of the Mao Zedong era, has been divided into three parts. The first part at the top contains the eight major senior statesmen headed by Deng Xiaoping. According to the power in their hands, their ranks are arranged in the following order: Chen Yun (84), chairman of the Central Advisory Commission; Yang Shangkun (82), president of the state; Li Xiannian (80), chairman of the CPPCC National Committee; Wang Zhen (81), vice president of the state; Bo Yibo (81), vice chairman of the Central Advisory Commission; Song Renqiong (80), vice chairman of the Central Advisory Commission; and Peng Zhen (87), retired former chairman of the NPC Standing Committee. The supreme leader is the 84-year-old Deng Xiaoping. He is the chairman of the Military Commission of the CPC Central Committee and the State Military Commission. Deng and his seven colleagues were all military chiefs who led troops during the war. It is probably not a "strange tale from over the seas" to say that the current leadership system in China is a military dictatorship in disguised form.

Such a leadership system is somewhat like the court system of the Great Qing Empire. In the late Qing period, Empress Dowager Ci Xi claimed to act under orders issued by the late emperor to hold court from behind the scenes. The imperial commission, consisting of eight main court officers, gave her counsel. Her orders were executed by the Ministry of Defense and various major government departments to defend the feudal rule.

#### The Relations Between Three Major Sectors

After the CPC took over state power, Mao Zedong was directly in charge of the military and national defense sector. The three other major sectors that concern the

national economy and the people's livelihood were actually controlled for a long time by the financial and economic faction headed by Chen Yun, the political and legal faction headed by Peng Zhen, and the organizational faction headed by Kang Sheng. During the Great Cultural Revolution, Chen Yun and Peng Zhen were overthrown by Kang Sheng. However, after 1978 they rapidly staged a comeback and regained their power. The power of Kang Sheng's faction in the organizational sector was taken over by Hu Yaobang and Song Renqiong. Chen Yun, Li Xiannian, and Bo Yibo of the financial and economic faction have always controlled the financial and economic leading group of the CPC Central Committee and the Financial and Economic Commission under the State Council. They have mastered decisionmaking power and real power in the fields of industry, foreign trade, commercial affairs, finance, banking, and so on. Yao Yilin, current member of the Political Bureau Standing Committee and vice premier of the State Council, was brought up by Chen Yun and his like. His decisionmaking power in finance and economy is actually greater than Zhao Ziyang's and Li Peng's. Peng Zhen, a senior statesman of the political and legal faction who has been relieved of the post of chairman of the NPC Standing Committee is still very influential in the Central Political and Legal Department. In those years, Beijing municipality under Peng Zhen's rule was regarded as an "independent kingdom." He was more authoritative than Deng Xiaoping, the then general secretary of the CPC Central Committee. Due to Peng's close relations with Liu Shaoqi, responsible cadres in the political and legal sector were mostly trained by them, or had performed underground secret service work in the Kuomintang-controlled areas. To overthrow Liu Shaoqi, the gang of four, first of all, had to destroy the public security organs, procuratorial organs, and courts established by Peng Zhen. Fortunately, Peng escaped death despite the imminent disaster. He and Yang Shangkun, one of the "four major foes" of the gang of four, are now powerful enough to stand up to Deng Xiaoping as an equal in the leadership stratum of the CPC. Wang Hanbin, who was personally promoted by Peng Zhen, has occupied the important posts of vice chairman of the NPC Standing Committee and chairman of the committee in charge of the legal system. There is a possibility that he will take over Wan Li's post during the next NPC session, because he is about 10 years younger than Wan.

#### Deng Xiaoping Frequently Stressed Stability

According to well-informed observers in Beijing, at the recently held 15th meeting of the central Political Bureau, Zhao Ziyang communicated instructions issued by Deng Xiaoping. Deng stressed that the "current overriding task is to maintain stability." He was not happy with passages contained in the original draft of Li Peng's work report to the Second Session of the Seventh NPC on various decisionmaking mistakes and various crises arising in the course of reform. He said that these problems must not be exaggerated and that all leaders were responsible for them. He extricated Zhao Ziyang

from blame. He also urged central leaders to take a firm attitude and unified step in dealing with the trends of intellectuals striving for human rights, and student unrest which might happen during the two sessions and the anniversary of the "April 5th" Incident and the "May 4th" Movement. It seems that Zhao Ziyang will not follow in Hu Yaobang's footsteps immediately, although he has found the going increasingly more difficult.

**There Will Always Be Trouble Until Those Who Stir It Up Are Removed**

Actually, whether Zhao Ziyang stays or is removed will not shake the deep-rooted power structure of the CPC leadership. At least, it will not be greatly affected. Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili, Yao Yilin, and so on are controlled by the group of elderly statesmen. The so-called successors of the second and third echelons are all propped up by those old guys. Although they lack the capability to govern the country and benefit the people, they have learned well the ways to become officials. They are even more capable than those old guys in playing politics. Therefore, some people say that there will always be trouble until those who stir it up are removed. Some other people say that even though those who stir up trouble have been removed, they have successors in the second and third generations. Trouble is always there.

**Zhao Associate Discourages Central Economy**  
HK0404020789 Hong Kong SOUTH CHINA  
MORNING POST in English 4 Apr 89 p 11

[By Willy Wo-Lap Lam]

[Text] A key associate of General Secretary Zhao Ziyang has urged that in implementing the on-going retrenchment policy in the economy, China should not "go back to the old road" of the centralised economy.

Mr Gao Shangquan, a vice-minister of the State Commission for the Reform of the Economic Structure, made the remark at the Conference on the Theory and Practice of Young and Middle-Aged Economists during the Ten Years of Reform, which is being held in Beijing.

"In the course of curing and rectifying the economy, emphasis should simultaneously be put on restructuring (the economy) and reform," Mr Gao said.

"We must insist on the new road of economic development that is compatible with a planned socialist commodity economy," he added. "We must not simply use old methods to institute control".

According to analysts, Mr Gao is serving warning to central planning-oriented cadres who want to make use of the austerity campaign to roll back reform measures introduced by Mr Zhao in the early 1980's.

"The major formulators of the on-going constrictive policies, Prime Minister Li Peng and Vice-Premier Yao Yilin, have simply underlined the imperative of 'curing and rectifying' the economy," said a Western diplomat.

"Mr Gao, however, wants Beijing to put equal emphasis on 'restructuring the economy,' and in particular, on reform.

"For many liberal cadres, there is the danger that reform may be forgotten in the midst of rectification."

According to Mr Gao, the current phase of rectifying and restructuring the economy is different from two earlier such exercises.

The first was in 1962, when the country was recovering from the disastrous Great Leap Forward of the late 1950s.

The second was in early 1984, when Beijing was trying to introduce market forces into the urban economy.

Mr Gao noted that the on-going restructuring would take place "when the new (economic) system has gradually been formed and market mechanisms have gradually come into play."

"That is why if we simply use old methods of the past to institute control, not only will the goal (of rectification) not be accomplished, new socio-economic problems will be created."

Moreover, Mr Gao noted that China's economy is now intertwined with the world economy.

And in rectifying the economy, Mr Gao said, "We must not simply consider domestic economic questions" but must integrate it with China's role in the global economy.

According to economic observers, Mr Gao is decrying the trend towards autarky, or self-sufficiency, in Chinese economic thinking, as evidenced by the recent hoisting of the banner of "hard work and plain living" in economic work.

Mr Gao also deplored the fact that "people bold in reform have been arbitrarily wronged".

He accused certain people of thinking that "the more numerous and the more serious the problems (faced by reform), the better".

Analysts said that, Mr Gao was primarily aiming his barb at Mr Li Peng's government work report, due to be endorsed by the National People's Congress today.

However, with central planning-oriented cadres clearly on the ascendancy, Mr Gao's could be a voice in the wilderness, analysts said. h1

Obstacles to Criticism of Mao Zedong Viewed

HK0404022989 Hong Kong CHENG MING in Chinese  
No 138, 1 Apr 89 pp 12, 13

[Article by "special correspondent" Chiao Tsung (0829 1350): "Obstacles to, and Hidden Currents in the Criticism of Mao Zedong"]

[Text] Li Xiannian Calls the Central Television Station to Account

Last year there was a "Mao craze" in mainland newspapers and periodicals; articles containing more accusations than praise for Mao were published in large numbers. In a bid to remove his corpse from Mao Zedong Memorial Hall and to cremate it, some people brought to light an event in 1956 in which Mao proposed his cremation and to which he signed his name. Some people have even disclosed that during the Yanan years Ye Jianying kept Mao Zedong and Jiang Qing company, playing mahjong. Indeed the demolition of Mao statues was conducted openly in universities. For a time, some people thought that it was imperative to criticize Mao.

Word came at the end of last year that criticism of Stalin was not permitted. Moreover, Mao Zedong's descendants and Zhang Yufeng, Mao's "secretary in daily life" before his death, started a Mao-worship craze.

Where on earth did the obstacles to the criticism of Mao come from? This is a question many people want to know.

On New Year's Day, 1989, Beijing's Central Television Station made slightly flexible and varied changes when signing on. Although the national anthem was still broadcast at the very beginning, last year's stiff and monotonous scenes were changed and substituted with some fresh scenes from all parts of the Chinese mainland. This was purely technical handling but even such a small change struck some people.

Li Xiannian, the CPC senior who was spending a routine New Years holiday in Shanghai, personally telephoned Beijing, asking: Why is it that there was no portrait of Mao Zedong? Why is it that there was no monument? Why is it that the national emblem was so short?

Thirteen days later, the signing-on ceremony of the Central Television Station was restored to the old image of 1988, with Mao's portrait above Tiananmen Gate, the Monument to the People's Heroes, and so on.

At that time, intellectuals who are used to seeing which way the political wind is blowing from the strange behavior of the CPC's media, were stunned.

Where on Earth Are the Obstacles to the Criticism of Mao Zedong Coming From?

"It was difficult to remove Mao's portrait from the television screen, let alone to take it down from the Tiananmen Gate," said a reporter in Beijing to this writer. In his view, the idea of removing Mao's portrait from Tiananmen Gate, as entertained by some overseas intellectuals, is too naive. It is as difficult as asking Deng Xiaoping to personally issue an order for the release of Wei Jingsheng. He said: Overseas intellectuals probably forget a fact: In 1980 in answer to Italian journalist Oriana Fallaci's question on Mao's portrait above Tiananmen Gate, Deng Xiaoping categorically said: "It will be kept there forever."

The obstacles to the criticism of Mao come from the octogenarians in the CPC and from rigid ideas. But who among the octogenarians in the CPC are diehard Mao loyalists?

People in Beijing's cultural circles hold that they are neither Deng Xiaoping nor those regarded as ideologically rigid like Peng Zhen and Bo Yibo, but such political tumblers in China's political circles as Li Xiannian and Wang Zhen.

At the end of last year, in an attempt to protect Mao, Wang Zhen strongly demanded that Stalin's portrait should not be removed from Tiananmen Square. At a meeting with a member of the Chinese People's Political Consultative Conference from Hong Kong last year, Li Xiannian lifted his clothes to show the bullet scar on his body, saying that the CPC would not give up one party dictatorship. Both events conveyed the same meaning: without Mao Zedong they would not have been what they are today.

During the Cultural Revolution, both Li Xiannian and Wang Zhen were always on the stage, but subjected to very little impact. They did not suffer at the hands of Mao Zedong and the "gang of four." For this reason, they do not hate either Mao Zedong or the "gang of four." It is therefore impossible to ask them to criticize Mao.

Why Is It That Some People in Hangzhou Want To "Rehabilitate" Qin Kuai?

However, the hidden current of criticizing Mao is irresistible among intellectuals and the people, and this hidden current will gush out of the ground at any time.

It is said that some people in Hangzhou call for the "rehabilitation" of the highly treacherous and evil person named Qin Kuai, holding that it was not Qin Kuai but Zhao Gou that was the chief criminal in killing Yue Fei. Therefore, some people suggested removing the statues of Qin Kuai and his wife kneeling in front of Yue



Fei's tomb and replacing them with a newly-cast kneeling statue of Zhao Gou. It is said that this proposal was contained in an article by an essayist and carried in a domestic newspaper.

It is clear that Yue Fei refers to the tragedy of the Cultural Revolution, Qin Kuai and others to the "gang of four," and Emperor Zhao Gou to Mao Zedong. Since it is impermissible to criticize and lash out at Mao in public, people cannot but make oblique accusations. Not only the "gang of four" but, more importantly, Mao Zedong should be held responsible for the tragedy of the Cultural Revolution. The CPC wants to "thoroughly negate the Cultural Revolution" but, at the same time, protect the person who directly initiated it, and to continuously deify him. This is naturally unacceptable to the broad masses of the people.

#### Reassessing Mao's Achievements and Errors

Since the second half of last year, many publications on the mainland have carried numerous writings commemorating and assessing Mao but most of them have assumed an ambiguous attitude or made perfunctory remarks.

Of the many newspapers and periodicals, SHULIN [BOOK FOREST] monthly has taken a clear-cut stand in criticizing Mao and the articles of Li Shu, Gong Liu, Xu Jilin, and others carried in the periodical have made penetrating analyses of Mao Zedong's errors.

What is even more gratifying is that a "black horse" has charged out of the military ranks to criticize Mao. Young military theorist Zhang Guangzhao has written some articles in criticism of Mao Zedong. He did not dodge sensitive issues and was quite bold in making his remarks. For example, in an article entitled "It Is Necessary To Change the '70:30' Ratio," he took direct exception to the CPC's assessment of Mao Zedong. He criticized (the CPC) for "consistently following the '70:30' philosophy and the 'one finger and nine others' dialectics," saying that it was tolerating and abetting evil. He mocked: "It is quite ridiculous that a person who has saved seven people and then killed three can still go scot-free, which is the most standard sense of the '70:30 ratio.'" Although the article mentions neither Mao Zedong by name nor the question of criticizing and assessing him, readers can understand at a glance that the spearhead is directed at Mao Zedong.

#### The Number of People Visiting Mao Zedong Memorial Hall Drops Drastically

Although Deng Xiaoping hastily drew the conclusion that Mao's portrait will be hung above Tiananmen Gate forever, intellectuals in Beijing believe that Mao's portrait will disappear from Tiananmen Gate before Deng Xiaoping's death. By that time, it will probably be that portraits of leaders will no longer be hung above Tiananmen Gate.

Not long ago, under the leadership of Chairman Hua Guofeng, the people murmured incantations by saying: "Chairman Mao will always live in our hearts." Nowadays, Mao Zedong has died in the hearts of most Chinese and, even if he has not died, he occupies less and less of a position in the hearts of these people.

The site of Mao Zedong Memorial Hall greatly damages Beijing city's geomantic omen and scenery. At that time, the CPC only had one consideration, namely, let Mao Zedong live in the center of Beijing and among the people even after his death. After Mao Zedong Memorial Hall was opened, there were many vivid scenes of people choking with sobs. It created a record of entertaining nearly 60,000 people a day.

Now, this is all past and gone! Between 1985 and 1988, the number of people visiting Mao Zedong Memorial Hall progressively dropped by 300,000 to 500,000 people a year. Most of the visitors went there out of curiosity or are people going to Beijing for the first time. Those who really cherish the memory of Mao Zedong are few and far between.

The CPC constantly advocates the need to step up ideological and political work in schools and to conduct "education in revolutionary tradition." However, according to some surveys conducted in Beijing municipality, quite a few middle school students do not know of Mao Zedong, nor do they know of Liu Shaoqi and Zhou Enlai.

Apparently, even if Mao Zedong is not repudiated, the next generation in China will also cast him aside. Alas!

**Official on Studies of Cultural Revolution Period**  
OW0404095289 Beijing XINHUA in English  
0853 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—It is necessary to study the history of the Cultural Revolution" (1966-1976) and draw lessons from it. But articles which are not well grounded and may mislead readers are unacceptable.

The spokesman for the Press and Publications Administration of China told XINHUA this when answering questions about an article based on dialogues between a writer and Wang Li, a member of the "Cultural Revolution" group under the Central Committee of the Communist Party of China.

The spokesman said that the catastrophe triggered by the "Cultural Revolution" remains fresh in people's memory. As Wang Li, an activist in the early period of the upheaval, shirked responsibility for his mistakes in the article, it is understandable that some readers have expressed indignation, he pointed out.

Asked whether the history of this period can be studied, the spokesman said that it is necessary to study the history of the period and scientifically draw lessons from the catastrophe.

In fact, China has never suspended study of this period, he said. Important data from the "Cultural Revolution" should be collected and works which may help people to draw historical lessons correctly can be published, he added.

However, the problem at present is that some persons are only interested in writing sensational articles about the "decade of turmoil", he warned. Some articles vulgarize the serious political struggle and some lack any factual basis and may lead to incorrect conclusions, he explained.

On the official attitude toward publication of articles and works about the "Cultural Revolution," the spokesman said that writers should follow the conclusions of the resolution on certain questions in the history of the party since the founding of the People's Republic of China, respect facts, ensure the quality of the articles and works, and promote stability and unity.

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HK0304095089 Beijing RENMIN RIBAO in Chinese  
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### East Region

**Anhui Leaders Discuss Spring Farming, Supplies**  
*OW0304234889 Hefei ANHUI RIBAO in Chinese*  
17 Feb 89 p 1

[Text] As spring farming is drawing near, supply of means of agricultural production has become an urgent task. This year, the state has decided to monopolize the supply of chemical fertilizers, farm chemicals, plastic sheeting for farming use, and other means of agricultural production. What is the current situation in Anhui like? Lu Rongjing, Meng Fulin, Hou Yong, Su Hua, Wang Sheyun, Zhang Runxia, and other leading comrades heard a special report by departments concerned on the morning of 16 February, and seriously analyzed and studied existing problems and new situations. They unanimously stressed that effective measures would be taken to deliver necessary means of agricultural production to the rural areas in a timely manner, in order to ensure that spring farming is carried out smoothly, to set a good foundation for reaping a bumper agricultural harvest this year.

In general, supply of means of agricultural production in Anhui this year is better than last year. Improvement in the supply condition can be seen from the following facts: First, the quantity of supply has increased. Supply of chemical fertilizers this year increased by nearly 1 million metric tons, or 17.9 percent, over the last year. Supply of chemical fertilizers during the current spring farming period is expected to increase by 700,000 metric tons, or 36.7 percent, over the same period last year. Supply of farm chemicals increased by 6 percent over the same period last year. No problems are expected in the supply of farm chemicals under normal conditions. Supply of plastic sheeting for farming use increased by 54 percent over the same period last year. Therefore, there will be sufficient supply of plastic sheeting. Second, prices of means of agricultural production are stable. Supply of urea, which is linked to government purchase of grain and cotton, is set at 1988 prices. Prices of chemical fertilizers produced by local small factories are set by county authorities. Retail prices of these fertilizers are lower than last year's average market prices. Third, quality of means of agricultural production is assured. After our efforts to consolidate enterprises producing means of agricultural production, and since the government monopolized the supply of means of agricultural production, the production, distribution, transfer, and supply of chemical fertilizers, farm chemicals, plastic sheeting, and other commodities for farming have become normal. Some unhealthy practices in the supply of means of agricultural production have been done away with, and peasants' interests are now safeguarded.

Problems in monopolizing the supply of means of agricultural production, as reflected in the report, attracted great attention from provincial leaders attending the report meeting. All leaders commented on these problems. Regarding some localities' erroneous ideas on the

supply of means of agricultural production, and the lack of coordination in carrying out supply work in some localities, Lu Rongjing, secretary of the Anhui Provincial CPC Committee and governor of Anhui Province, pointed out: Monopolization of the supply of chemical fertilizers, farm chemicals, plastic sheeting, and other farming materials is an important part of our efforts to improve the economic environment, rectify economic order, and deepen reform. However, ways of supplying these materials may be diversified. We must not stick to one specific way because of the monopolization. Anything contributing to production development is good, and should be adopted. Leaders at all levels and all departments concerned must solve problems currently existing in the supply of farming materials in accordance with this principle. They must not put off problems, which may delay farming work and incur losses. When he was told that production and marketing of plastic sheeting and farm chemicals had been affected because prices had not been set, Lu Rongjing asked departments concerned to make a decision in the next few days, and not to put off the problem any longer. When he was told that over 10 small chemical fertilizer factories in the province had stopped production because of shortage of coal and electric power, Comrade Lu Rongjing pointed out: Departments concerned should immediately send people to look into the situation and help those factories resume production as soon as possible in order to ensure supply of chemical fertilizers for spring farming use. This is the first year we have monopolized the supply of chemical fertilizers, farm chemicals, and plastic sheeting, so we must start well. If this work is not properly carried out, it would be difficult for us to proceed with our efforts to improve the economic environment, rectify economic order, and deepen reform; to reap a bumper agricultural harvest this year; and to give more material benefits to peasants. All departments concerned must clearly define their responsibility in this regard, and ensure that work is properly carried out.

On the question of monopolizing the supply of chemical fertilizers, farm chemicals, and plastic sheeting for farming use, Meng Fulin, deputy secretary of the provincial party committee, pointed out: First of all, all departments concerned must pay full attention to this work and regard it as an important measure to support agricultural production and reap a bumper harvest this year. Peasants are deeply concerned about this year's supply of chemical fertilizers. They want to know how much they can get, at what price, and at what quality. In this connection, we must mean what we say so that we can win the people's confidence. Second, it is necessary to coordinate supply work. The provincial planning committee; the provincial economic committee; and the industrial, commercial, agricultural, financial, and other departments concerned must be clear about the method of monopolizing the supply of chemical fertilizer, farm chemicals, and plastic sheeting, and quickly work out regulations and stipulations to solve the question of energy resources, funds, and prices without affecting production and marketing. Third, all departments must



be clear about their respective responsibilities. As spring farming is drawing near, peasants are greatly concerned about the supply of means of agricultural production. All leading organizations and functional departments must be of one heart and strengthen examination and supervision. It is particularly necessary to regularly conduct investigation and study at grass-roots units, and discover, and quickly solve, questions on monopoly work. It is necessary to firmly grasp this work.

The provincial leaders also heard a report on Anhui's current situation in production and relief provision. They seriously studied the questions involved and drew up a specific plan.

Comrade Lu Rongjing also emphatically pointed out: This year, we must firmly grasp four major questions facing Anhui: First, we must solve the question of energy resources. If we fail to produce adequate coal and power, our industrial and agricultural production and the people's livelihood will be seriously affected. As a result, our effective supply in society and the effects of the improvement of the economic environment and the rectification of economic order will also be affected. We call on departments at all levels, particularly the vast number of party members and cadres on the coal, power, and industrial fronts, to take the whole situation into account, including the interests of the party and the people, and grasp the production of energy resources as a matter of prime importance in economic work. We must persist in doing two things at the same time: On the one hand, we must make every effort to tap potential in production to produce coal and generate electricity as much as possible; on the other hand, we must adopt effective measures to reduce the consumption of energy resources. This is a task we must fulfill. Second, we must firmly grasp the production and supply of means of agricultural production. If we fail to do so, offering peasants more material benefits in this bumper year will become empty talk. Third, we must firmly grasp the question of commodity prices on the market, particularly that of nonstaple food supplies in cities. Commodity prices and nonstaple food supply concern all households. If we fail to firmly grasp them, the people will lose confidence in improving the economic environment and rectifying economic order. Fourth, it is necessary to resolutely grasp public order firmly and well, to create a good social environment for improvement, rectification, and in-depth reform. Leading comrades at all levels must pay adequate attention to this work, adopt effective measures, and conscientiously achieve good results.

**Shandong Revamps Old Industries With Electronics**  
OW0104105889 Beijing XINHUA in English  
1619 GMT 30 Mar 89

[Text] Jinan, March 30 (XINHUA)—Until recently, a giant grinding machine lay idle for more than a year and was about to be scrapped at the Jinan First Machine-tool Plant in coastal Shandong Province.

But today, the plant—the major foreign exchange earner in Shandong's machine-building industry—has renovated the machine with numerical control and digital display technologies.

And the upgraded grinder has now replaced an imported machine, saving the plant a million U.S. dollars.

This success story is only one example of Shandong's efforts to improve traditional machines by the use of microelectronics. In the past 3 years, the east China province has revamped 1,000 machine tools with the new technique.

Provincial officials in charge of the electronics upgrading measures said that Shandong now uses 13,000 computers to renovate traditional industries in four fields: production control, computer-aided designing and manufacturing, computer-aided management and information networks, and the integration of machines with electronics.

Using microprocessors to upgrade its machines, the province completed 124 renovations in its machine-building, electronics, building materials, metallurgical, textile, and energy industries last year—which increased its output value by 110 million yuan (30 million U.S. dollars).

In management, microprocessors are now in use in half of Shandong's cement plants, which produce two-thirds of the province's 18 million tons of cement a year.

Local officials also said that microprocessors adopted in the production process helped earn 5 million yuan (1.35 million U.S. dollars), save 600 tons of fuel oil and 2.4 million kilowatt-hours of electricity in Zibo City last year.

**Shanghai Mayor Seeks Advice From CPPCC**  
OW0104062889 Shanghai City Service in Mandarin  
2300 GMT 28 Mar 89

[Text] Mayor Zhu Rongji, who just returned from an NPC [National People's Congress] meeting in Beijing, went to the city's CPPCC [Chinese People's Political Consultative Conference] office yesterday afternoon. There he met representatives from economic, science and technology, education, culture, and medicine and public health circles, as well as Overseas Chinese, minorities, and people from various democratic parties. He asked their advice about the work of the city government and the government work report to be delivered at the second session of the ninth municipal people's congress.

While fully confirming the achievements of the city government, these people made sound criticisms and constructive suggestions on problems existing in the work of the city government.

Mayor Zhu Rongji said that the opinions expressed by CPPCC members show sound judgment and keen insight. He said they would be incorporated into his report and implemented in work.

**Shanghai Baoshan Group Director on Foreign Ties**  
*OW0104081089 Beijing XINHUA in English*  
0730 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—The Baoshan enterprise group, an industrial conglomerate with the giant Baoshan Iron and Steel Complex in Shanghai as its backbone, has been fast expanding its cooperation with foreign companies, according to Wang Peizhou, its general manager.

Wang, a deputy to the National People's Congress (NPC) now in session here, said that, in the first two months of this year, the group obtained 20 million U.S. dollars worth of processing business for foreign firms.

In an interview with XINHUA, Wang, also a deputy director of the Baoshan Iron and Steel Complex, said that the Baoshan Group now exports sheet steel, steel cable, standard parts, welding rods and machinery spare parts to the United States and Federal Germany.

Growth in processing business and export, Wang said, marks an initial success of the group's plan to develop export-oriented production and operation, which was mapped out when the group was established six months ago.

The Baoshan Enterprise Group comprises the Baoshan Iron and Steel Complex, the No 1 and No 2 Motor Vehicle Plants, Shanghai Volkswagen Corporation, and a number of metallurgical, machinery and electrical appliances factories and research institutes.

In accordance with the plan, the Baoshan Group has been turning part of its capabilities into "bases" devoted to manufacturing export products or processing supplied materials.

In addition, the group has launched some Sino-foreign joint ventures to produce containers and magnetic materials in China. It also plans to launch joint ventures in the United States, Australia, Federal Germany, Japan and Hong Kong.

By expanding external cooperation, Wang said, his group can alleviate shortages of energy and money now faced by members of the group.

Made up mostly of China's blue-chip enterprises and plants, the Baoshan Group has both the capacity and expertise to provide quality products for the world market, Wang said.

**Shanghai Birth, Population Growth Rates Decline**  
*OW0104080989 Beijing XINHUA in English*  
0718 GMT 1 Apr 89

[Text] Shanghai, April 1 (XINHUA)—The birth rate and natural population growth rate in Shanghai, the most densely inhabited city in China, declined last year, a municipal family-planning official announced today.

A total of 165,000 babies were born in Shanghai in 1988, representing a drop of 2.1 per thousand on the figures for the comparable period of 1987.

Meanwhile, 85,000 people died, reducing the city's natural population growth rate to 6.4 per thousand, 2.2 per thousand lower than the figure for the same period of the previous year.

The official outlined four reasons for the population decrease: the end of the third baby boom in the city; many newly-weds postponing plans to have babies for fear that the city-wide plague of hepatitis last year would affect their offspring; the spread of the single-child-family concept in rural areas; and a craze to go abroad arising among local youth.

**Zhejiang Secretary on Discipline, Party-Building**  
*OW0104043689 Hangzhou ZHEJIANG RIBAO*  
in Chinese 12 Mar 89 p 1

[Excerpts] The 5-day provincial meeting on honesty in performing official duties and discipline inspection work ended on 10 March. The meeting transmitted and studied the guidelines of the national conference on discipline inspection and the national forum on establishing a system of honesty in performing official duties. The meeting also analyzed the situation of party style and discipline in this province and the new situation and problems in party-building at present. It studied and made arrangements for the task of promoting honesty in performing official duties and discipline inspection work this year.

The participants held that discipline inspection organizations should promote the reform, the open policy, and the development of the productive forces according to the basic line of the 13th CPC National Congress on the one hand, and maintain party discipline and promote the improvement of party style, with a special emphasis on having party and government organizations maintain honesty in performing official duties, on the other hand. They have a heavy task and shoulder an important responsibility. The participants are convinced that we must clearly understand the current situation, enhance our confidence, heighten our spirit, seriously investigate and handle cases of violations of party discipline, and actively help the provincial party committee do a good job in maintaining high standards of ethical integrity.

Li Zemin, secretary of the provincial party committee, attended and spoke at the meeting. He said: The improvement of party style and party discipline is an important aspect of party-building. In order to strengthen party-building under the new situation of carrying out reform, opening to the outside world, and developing the socialist commodity economy, party committees at various levels, especially principal leading comrades, must further understand the guiding ideology of "grasping with two hands" and truly place the work of party-building on their daily agenda of important tasks. "Grasping with two hands" expresses the dialectical relationship between economic and political work and the party's guiding ideology for overall planning in socialist construction work. Party and government organizations at various levels must firmly grasp this extremely important principle in their actual work. [passage omitted] He said: We should conscientiously analyze the new situation and problems lying ahead of us in building the party at present. In particular, we should look squarely at those passive and corrupt phenomena which indeed exist in our party, raise our understanding about the important and urgent nature of strengthening party-building, effectively grasp the work of party-building, overcome corrupt phenomena by relying on party organizations' own strength, and strengthen the party's inner cohesion and its attractiveness to the masses.

Touching on the relationship between the building of honest government and party-building, Li Zemin said: Requiring party and government organizations and party cadres to maintain high standards of ethical integrity is an extremely important task in the current task of party-building. Discipline inspection units at various levels should place high demands on party members and investigate and handle cases in violation of party discipline. At the same time, they should actively help party committees establish a system of having party members perform official duties in an honest manner. [passage omitted]

Li Zemin said: At present, in order to improve the economic environment and rectify the economic order, we need a good social and political environment. We must improve and strengthen the party's ideological and political work and effectively grasp the building of party organizations at the grass-roots level. At present, many problems lying ahead for party-building are reflected in party organizations at the grass-roots level. Work in this area is quite weak. We must strengthen investigation and study, provide guidance for various kinds of work, firmly grasp the building of leading groups for party organizations at the grass-roots level, strengthen education for party members, and effectively raise the fighting ability of party organizations at the grass-roots level.

#### Central-South Region

##### Guangdong's Ye Xuanping on Economy, Open Policy

OW0204052489 Beijing International Service  
in Mandarin 0900 GMT 30 Mar 89

[Text] Ye Xuanping, governor of Guangdong Province and an NPC [National People's Congress] deputy who is attending the Second Session of the Seventh NPC, was

interviewed by a reporter of this station on the morning of 29 March. During the interview, he talked about the situation and prospects of Guangdong's active opening to the outside world in the course of improving the economic environment and rectifying the economic order. The following is the interview.

[Reporter] Governor Ye, Premier Li Peng announced at the First Session of the Seventh NPC last year that we should seize this opportune time to speed up implementation of the strategy for economic development in the coastal areas. In his government work report this year, Premier Li Peng also called for resolute implementation of the policy to improve the economic environment, rectify the economic order and deepen the reform. Is there any contradiction between these two statements, Governor Ye? Could you tell us how Guangdong Province views these calls and implements them?

[Ye] In his government work report delivered on 20 March this year, Premier Li Peng also mentioned the need to resolutely implement the strategy for economic development in the coastal areas and to continue to develop an export-oriented economy. When meeting President Museveni of Uganda a few days ago, Deng Xiaoping also noted that China's development in the past decade has been gratifying. Its gross national product has doubled. This is a feat accomplished by adhering to the four modernizations line and persisting in the reform and open policy. We in Guangdong have carried out the reform and open policy for 10 years now. Our gross national product has more than tripled. The figure for 1988 shows a 16.2 percent increase from the previous year. The volume of our foreign trade last year increased 36.4 percent from a year ago. The actual amount of foreign capital invested in our province also doubled from that of the previous year, reaching \$2.44 billion. Our labor cooperation with foreign countries is also more active than before. Tourism has continued to develop, with the number of tourists from foreign countries exceeding 28 million. All this shows that economic development has accelerated in Guangdong. However, the economy also shows signs of overheating. Last autumn the State Council made the decision to improve the economic environment and rectify the economic order. It also made it clear that while it is necessary to unswervingly improve the economic environment and rectify the economic order, it is also necessary to unswervingly implement the economic development strategy in the coastal areas. Guangdong already has a good foundation for developing an export-oriented economy. We have achieved good results in implementing the reform and open policy in the past 10 years. Reform and opening to the outside world will not be reversed in Guangdong, as they are heartily supported by its 59 million people. In our opinion, the efforts to improve the economic environment and rectify the economic order and the implementation of the strategy to develop the economy in the coastal areas complement each other.

[Reporter] Governor Ye, will you please explain what you mean by complement in specific terms?



[Ye] Premier Li Peng set forth in his report six goals for improving the economic environment and rectifying the economic order. When these goals are attained—for example, when inflation is curbed, and when economic laws and regulations, the system of macroeconomic regulation and control, and the system of supervision are established and perfected—we will be able to improve the larger macroeconomic environment, which will also improve the smaller-level environment for investment by foreign businessmen.

[Reporter] Governor Ye, some people say improving the economic environment and rectifying the economic order is likely to make it difficult to absorb foreign investment. What do you think?

[Ye] I think there is a misunderstanding here. Premier Li Peng made it plain in his government work report that improving the economic environment and rectifying the economic order is being carried out while China is opening to the outside world. Opening to the outside world and improving the economic environment and rectifying the economic order can complement each other. Let us take a look at the actual situation in Guangdong. The volume of exports completed in 1988 by the Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises and the 20,000-plus enterprises that engage in processing and assembling materials supplied by foreign firms and in compensatory trade in our province reached \$1.54 billion, which accounts for one-fifth of the province's total volume of exports and more than 6 percent of the total export value attained by all foreign-invested enterprises in China.

Production and operations are normal in most of these enterprises. Their income and profits from sales are growing. Their foreign exchange earnings and expenditures are balanced. In our efforts to persist in opening to the outside world, our province has now adopted the following four steps: 1) We have expanded the area of coastal economic open zones. With the approval of the State Council, 55 cities and counties in the Zhujiang Delta and the coastal areas have been designated economic open zones. 2) We have increased the forms of investment and offered guidance with regard to where investment is most needed. In addition to continuing to import foreign capital to run joint ventures and cooperative enterprises, and developing the enterprises engaged in three forms of imported processing and compensatory trade, we are also encouraging the establishment of enterprises wholly owned by the investors and doing all we can to increase the share of foreign capital in the existing Chinese-foreign joint ventures and cooperative enterprises. Our state enterprises can also be sold to foreign investors or run by them by contract. We will also use our old enterprises to attract investment and obtain advanced technology and management experiences from abroad. Investors from the outside world may also purchase real estate and obtain land use rights to develop and operate land here. As for investment

orientation, the emphasis is placed on electric power, transportation, telecommunications, and other infrastructure industries, and on iron and steel, nonferrous metals, ethylene, soda ash, caustic soda, chemical fertilizers, new types of raw materials, sophisticated chemical industry products, and other raw material technologies, as well as projects of high technology and low energy consumption. 3) We have newly formulated a number of specific policies, laws, and regulations designed to attract investment from abroad. We have also improved our consultation service for foreign trade work. 4) While curbing investment in fixed assets, we have excluded foreign investment from this curtailment. To sum up, these steps have proved to be useful in the course of improving the economic environment and rectifying the economic order and readjusting the economic structure.

[Reporter] Governor Ye, what do you think about the prospects of the efforts to improve the economic environment and rectify the economic order and open to the outside world in the future?

[Ye] As far as Guangdong is concerned, improving the economic environment and rectifying the economic order has played a role in improving the investment environment, making it more favorable for foreign businessmen to make investment here. As for readjusting the economic structure, this has also increased the importance of the export-oriented economy, which relies on the world market to both obtain the raw material it needs and to sell the finished products it produces. In addition, this has also increased investment opportunities for foreign businessmen. I believe the prospects are good for opening to the outside world. Our partners will find Guangdong more dynamic and the opportunities here greater than before, which will enable them to fully develop their businesses here. We are also convinced that the economy in Guangdong will advance to a new stage in the course of improving the economic environment, rectifying the economic order, and readjusting the economic structure.

[Reporter] Thank you, Governor Ye.

**Guangdong NPC Deputy Views Decade of Changes**  
*OW3003130189 Beijing International Service  
in Mandarin 0900 GMT 29 Mar 89*

[Text] Dear listeners and friends: In an interview with our station reporter, Liu Qiurong, deputy to the NPC [National People's Congress] from Guangdong Province and vice chairman of the Guangdong Provincial Federation of Trade Unions, who is currently attending the Second Plenary Session of the Seventh NPC in Beijing, spoke emotionally about the new look of Guangdong after 10 years of reform and opening up to the outside world.

Liu Qiurong said: Great changes have taken place in every sector of Guangdong during the 10 years of reform and opening up to the outside world. Its productive

forces have expanded tremendously while its economic strength has been enhanced remarkably. The people's life has improved markedly, and new achievements have been made in the realms of science, technology, education, public health, and sports.

Guangdong was the first province in China to implement the policy of opening up to the outside world. Many of China's policies and measures involving reform and opening up to the outside world were implemented in Guangdong first, and then introduced to other provinces. Therefore, every stage in the process of reform and opening up to the outside world carried out in Guangdong continued to be the focus of attention of other provinces and overseas areas.

Deputy Liu Qirong said: In implementing the policies of reform and opening up to the outside world, Guangdong attracted capital, technology, facilities, management, and skilled personnel. This has brought life, vitality, and wealth to Guangdong. Production in Guangdong has expanded. It has become rich in material wealth, and the market has been stimulated. Fish is abundant and fresh in Guangdong, and is shipped to more than 10 cities. Fish, vegetables, and merchandise are being moved from the south to the north. Guangdong products are increasingly winning the people's acceptance.

Deputy Liu Qirong cited figures to show the improvement in Guangdong's economic strength. He said: Among China's provinces, municipalities, and autonomous regions, Guangdong's gross social output value has risen from seventh place 10 years ago to third at present. Its per capita income rose from sixth to third place. Gross industrial and agricultural output value rose from sixth to fifth place. Gross output value of the building industry rose from sixth to second place. Total commercial output value rose from second to first place.

Liu Qirong continued: The supply of Guangdong's Wanbao brand of refrigerators has been insufficient to meet demand. The Xinhe brand of audio equipment has won a silver medal. Guangdong produces over 180 varieties of beverages, including the magic drink Jianlibao which is famous both at home and abroad. Guangdong also has made considerable progress in telecommunications. Program-controlled telephones, providing direct access anywhere in China and overseas, can be found all over Guangdong.

Guangdong has also more favorable conditions for developing tourism. The Baitianer Binguan [White Swan Guesthouse] is among the 10 most famous guesthouses in the world. Greater input and more significance has been extended to education by the Zhujing Sanjiaozhou [delta]. Facilities of many primary and secondary schools have been renewed. People have come to realize that education is the foundation for nation-building, and national development is inseparable from improvement of the quality of people.

In communications, the number of bridges repaired and built with capital raised by the people themselves exceeded that of the 30 years before reform and opening up to the outside world. In essence, the province no longer has to rely on ferries to cross rivers as was the case in the past. The garments worn in Guangdong have become more varied, and the large amount of clothing it produces has entered the international market.

Regarding the life of people in Guangdong, Deputy Liu Qirong said: The livelihood of people in Guangdong has improved greatly. Many homes now have color television sets, refrigerators, and tape recorders. Some have even bought videotape recorders, pianos, and jewelry. Workers are no longer content with the monotonous life of the past of only working, eating, and sleeping. Cultural life has become increasingly colorful. People have become more aware of the usefulness of knowledge. More people are now pursuing studies. One out of every four adults is receiving adult higher education.

Guangdong's business ethics are recognized and praised nationwide. Foreign papers note that courteous service is most often found in Guangdong. Guangdong has been conducting activities to promote good services and trustworthiness. The national ethics conference will be held in Guangzhou. People have also become more aware of greening and improving the environment. Trees and flowers are planted everywhere. The people of Guangdong have become more law-abiding.

Liu Qirong said: The outlook of people in Guangdong has undergone a profound change. They place more value on science, technology, knowledge, and information. Their concept of the commodity economy has become more deeply entrenched. The entire society is according more importance to the role of skilled personnel. Everybody values time, and the pace of life and work has quickened.

Liu Qirong said: During the course of reform and opening up to the outside world a number of errors and problems have appeared. Inflation and spiraling prices have caused some people to suffer a drop in living standards; in particular, pensioners still live a rather hard life. All this needs to be improved. But on the whole, the achievements made in reform and opening up to the outside world have been enormous and have become deep-rooted in the people's minds.

### North Region

#### Beijing Delegation Makes Proposal at NPC

OW0204020189 Beijing XINHUA Domestic  
Service in Chinese 1304 GMT 31 Mar 89

[From the "Local Broadcast News Service"]

[Text] Beijing, 31 Mar (XINHUA)—"While the meeting is in session, everything bustles with noise and excitement, but when it is over, everything is soon forgotten."

This is an assessment by many people about the NPC sessions of previous years. How can we solve this problem? Ma Yaohan, Dai Yi, Luo Yifeng, Zhou Guanwu, Pu Jiexiu, and 24 other deputies of the Beijing National People's Congress [NPC] delegation have advanced a three-point proposal:

1. It is necessary to resolutely implement the principles and tasks, and to uphold the authority of resolutions adopted by the NPC session. State organs at all levels, all political parties and organizations, and the people of the whole nation have the obligation of implementing these resolutions. In implementing the resolutions, the general policies and principles must not be violated. Violations shall be investigated and the blame affixed. If major readjustments have to be made, they must be examined, discussed, and approved by the NPC or its standing committee.

2. NPC resolutions should be studied and propagated from the top to the bottom so that they become a force unifying the people of the whole country and inspiring them to take concerted action. The resolutions must be propagated and studied just like the resolutions of the national party congress. Plans must be worked out, time must be spent, and efforts must be made so that the study and propagation of NPC resolutions are widespread and deep. Leading organs and cadres must be made the main target of study. Resolutions implemented by governments should be examined by the corresponding level people's congresses or their standing committees.

3. It is necessary to strengthen inspection and supervision, particularly inspection and supervision over the power and administrative organs. People's congress standing committees at all levels must include this work on their agenda of important matters. It is suggested that the NPC Standing Committee hold a special meeting to study and solve this problem. It is also suggested that about 6 months after the closing of the current NPC session, a general inspection be carried out to examine the situation of implementing the resolutions adopted at the ongoing NPC session and to promote the various tasks of improving the economic environment and rectifying the economic order.

**Beijing To Continue Welcoming Foreign Capital**  
OW0104165189 Beijing XINHUA in English  
0904 GMT 1 Apr 89

[Text] Beijing, April 1 (XINHUA)—Beijing will continue to absorb foreign capital under the principle of "no stop" to the fulfilment of signed contracts, to project construction and to the approval of new projects.

A vice-chairman of the Municipal Economic Commission, Liu Kexin, said his commission plans to set up 20 foreign-funded projects, which are expected to use a total investment of 100 million U.S. dollars this year.

Beijing approved 148 foreign-funded projects last year, and 123 of them were industrial production businesses. By the end of 1988, the number of approved foreign-funded industrial production businesses in the city had reached 234, representing foreign capital of more than 300 million U.S. dollars.

Now, 89 industrial production businesses have started operation. They generated 1.68 billion yuan (about 451 million U.S. dollars) in output value in 1988, or 130 per cent more than in the previous year, and earned 84 million U.S. dollars from exports.

**Beijing Joint Building Ventures Show Profits**  
OW0104135589 Beijing XINHUA in English  
1440 GMT 30 Mar 89

[Text] Beijing, March 30 (XINHUA)—Beijing's 18 joint building ventures set up with overseas companies are operating well, and most of them profitably, even though China is exercising tougher control over its investment in capital construction as a means of rectifying its economic order.

A manager representing the Chinese partner in a 1985-launched joint venture said the registered capital of his company is just 300,000 U.S. dollars.

Now, its fixed assets have reached 1 million U.S. dollars after recovery of its investment. Last year, each of the parties received 100,000 U.S. dollars in dividends.

The Beijing Interior Decoration, Design, and Construction Co. Ltd., the first joint building venture in Beijing, started business in March 1984; last year, it made a profit of 270,000 U.S. dollars.

A local official who is in charge of Sino-overseas joint building ventures said that generally their business is good. At present, only five of them are in the red to varying degrees.

A vice chairman of the municipal committee of urban and rural construction, Wan Siqian, said the establishment of joint building ventures should be considered Beijing's opening its door to the outside world in the construction field.

According to the committee, China's present cutback in capital construction will not significantly affect these joint ventures because 14 of the 18 in Beijing can do interior-decoration work.

Some projects that started building in the past year or two have just finished or are near finishing the framework and close to interior decorating. So they should not need to worry about having no work to do.



According to the municipal foreign economic relations and trade commission, the preferential treatment Beijing has accorded Sino-foreign joint ventures will not be changed, even though China is tightening its control over capital construction as a means of rectifying its economic order.

Moreover, the city will continue its efforts to improve its investment conditions for overseas partners.

**Beijing Promotes Business Management in Farming**  
*OW0104165689 Beijing XINHUA in English 0814  
GMT 1 Apr 89*

[Text] Beijing, April 1 (XINHUA)—To promote modernization in farming, the Beijing municipal authorities will continue their efforts to introduce business management into agriculture.

Yesterday, the municipal government held a meeting to discuss and exchange experiences in agricultural business management.

For the first time the municipal government named 15 farmers as agricultural entrepreneurs in recognition of their work in promoting agricultural modernization.

In past years, optimum-scale farming has been practised on a trial basis on the outskirts of Beijing. The amount of farmland is limited. Its gradual transfer into the hands of skilled farmers has been considered a way of making better use of it.

As a result, the standard of management has improved and grain output has increased. For example, 34 collective farms have achieved a 40 percent increase in average output over that of 800 farms of the same kind in the city.

The trial has also trained a number of agricultural managers and amassed experience for the drive to agricultural modernization.

In the future, according to a vice-mayor of Beijing, Huang Chao, local authorities will further promote business management in farming.

**Hebei Governor Cited on Political, Legal Work**  
*SK3103085989 Shijiazhuang HEBEI RIBAO  
in Chinese 10 Mar 89 pp 1, 2*

[Excerpts] In 1989, the major tasks of the provincial political and legal work are: Firmly implementing the guidelines of the 3d Plenary Session of the 13th CPC Central Committee; intensifying the means of the legal system; positively participating in the work of improving the economic environment, rectifying the economic order, and deepening reform; dealing stern blows to serious criminal offenses and economic crimes; preventing and striking at the sabotage activities committed by

spy and hostile forces; further strengthening the comprehensive administration of public security; correctly handling the contradictions among the people; safeguarding the political stability and unity; and working hard to further stabilize the provincial overall situation in public security and make this year's public security better than last year's. These points were stressed by Yue Qifeng, deputy secretary of the provincial party committee and provincial governor, on the morning of 9 March at the provincial political and legal work conference.

Since last year, our province has always unfailingly grasped the political and legal work, and has scored great achievements in the struggle against criminal offences and economic crimes and in the comprehensive administration of public security. However, it must be noted that at present there are still many problems in the province's public security, the number of crimes is still increasing, and the current situation we face is still very arduous. With a view to implementing the guidelines of the national political and legal work conference in line with the reality, the provincial political and legal work conference was held in Shijiazhuang on 6 March.

At the plenary meeting held on 9 March, Yue Qifeng set forth specific demands on the province's political and legal work.

1. We should pay attention to the work of seeking unity of thinking and understanding. First, we should unify the understanding of party committees at all levels and enable them to fully understand the importance of "grasping construction with one hand and grasping the legal system with the other hand" during the peaceful construction period. Second, we should unify the understanding of adhering to the people's democratic dictatorship. We cannot discard the sense of ourselves and the enemy and the sense of suffering, nor can we give up and weaken the effective weapon of the people's democratic dictatorship. Democracy should be carried forward, and dictatorship should be strengthened all the more. This is still a basic viewpoint which we should continuously espouse. [passage omitted]
2. We should persistently and unswervingly deal stern blows to criminal offenses. [passage omitted]
3. We should continue to deal stern blows to serious economic crimes, with emphasis on graft and bribery. [passage omitted]
4. We should further strengthen the comprehensive administration over public security. [passage omitted]

**Hebei Governor Views Role of Agriculture**  
*OW0204115289 Beijing Domestic Service in Mandarin  
2300 GMT 31 Mar 89*

[Text] Our reporter (Shang Shibo) interviewed Comrade Yue Qifeng, NPC deputy and governor of Hebei Province. In the interview, Governor Yue talked about what he thinks the province should do to consolidate agriculture as the foundation of the economy by relying on science and technology. He said:

[Begin recording] What are the things we should rely on to increase agricultural production? Besides policy and [words indistinct], we should rely on science and technology to increase total output and unit yield. This is a [words indistinct] and highly efficient way to increase production.

A look at what happened in Hebei shows that marked output increase can be obtained just by popularizing existing technologies. By adopting [words indistinct] to grow maize, generally an increase of from 50 to 100 jin per mu can be realized. In the cold areas in the north, a 100-percent increase has been obtained in maize production by using plastic sheeting to protect the crop. In Chengde Prefecture, the highest output reached 2,294 jin per mu.

The utilization rate of chemical fertilizers is only 30 percent when it is not applied in combination with [words indistinct], but the rate will increase to 60 percent when [words indistinct]. If this technology is popularized, the province as a whole can save 2 million metric tons of chemical fertilizers.

Our province produces 40 billion jin of [words indistinct] a year but less than 10 percent of it is being utilized now. If its utilization rate is increased to 50 percent [words indistinct], we can raise an additional 3 million head of cattle and 10 million sheep.

The experience gained by various localities provides ample proof that science and technology is our potential as well as actual means to increase production. We must make great efforts to use science and technology to increase production. What should we do to popularize science and technology? The key lies in deepening the reform of the science and technology system.

In recent years, Hebei Province has made some exploratory attempts and made some new progress. By the end of last year, the province as a whole had 41,000 scientists and technicians working in the rural areas under technical contracts. They signed 37,000 contracts on various technologies. These contracts cover a total of 38.6 million mu of grain and cotton crops, orchards and vegetable gardens, which account for 40 percent of the cultivated land in Hebei. The contracts also involve the breeding and [disease prevention] of 44 million animals and fowl. These contracts have yielded 1.129 billion yuan worth of actual economic results.

At present, technical contracts have developed from single-item projects to group and multipurpose projects. There are currently 1,765 technical contract groups of various categories. A group may have as few as a dozen or so members and as many as over a hundred members. Organizationally, these technical contract groups practice four combinations. They are: a combination of multiple cartels, multiple specialties, and multiple

departments; a combination of state and [words indistinct] personnel; a combination of scientists and technicians on one hand and grass-roots cadres on the other; and a combination of science and technology on one hand and funds and materials on the other.

The nature of these contracts determines the [words indistinct] of production factors and brings tangible economic results. Shexian County has an agricultural technical contract group consisting of (?528) scientists and technicians, 74 rural technicians not engaged in production work, and 33 rural cadres. The group has undertaken a multipurpose contract covering 250,000 mu of wheat in 27 townships and towns. Last year, their per mu yield exceeded 600 jin, an increase of 112 jin as compared with the previous year, and reaching the highest level in the county's history.

Practice shows that such group technical contracting results in more benefits than scattered technical contracting. 1) Under a group contract, technicians of different fields and specialties are organized to closely cooperate with each other to bring the group's superiority into play. It facilitates the multipurpose use of agricultural technologies. 2) Through a fairly large-scale group contract [words indistinct] develop large-scale operation by making use of science and technology. 3) Group contracts gradually promote coordinated application of technologies, funds, and materials [words indistinct]. 4) Group contracts open the way for technicians in offices in various localities to put their knowledge and skills to good use and for streamlining office personnel. [end recording]

**Village Committees Set Up in Hebei Rural Areas**  
OW0104194889 Beijing XINHUA in English  
1450 GMT 1 Apr 89

[Text] Shijiazhuang, March 31 (XINHUA)—The countryside in north China's Hebei Province is now practicing village autonomy, which allows its 49 million farmers to decide their own affairs.

Ai Maojun, an official of the Political and Legal Affairs Committee of the province's People's Congress, says that practicing village autonomy is a great reform in China's political system and also an important measure for introducing the process of democratic politics.

He says that farmers want to decide their own affairs not only economically, but also politically. The old system did not allow this, he adds, "but now their democratic rights are protected by the law."

The process can be seen in action in Nanlou Village, Zhengding County, where fifty farmer representatives met recently to decide how to spend 240,000 yuan in profits made by the village-owned factory and orchards.

The meeting, presided over by Zhang Junmei, chairman of the Village Committee, finally decided to spend the money on the village's water conservation facilities, primary school and old folks' home—and also on paying agricultural taxes.

Zhang, 32, a high school graduate, says that all the important concerns of the villagers will be discussed at such monthly meetings and decided only by villagers or their representatives.

"Five committee members and I were elected by the 2,600 villagers," Zhang says, "and the committee is supervised by them and should report its work to them."

During their three-year membership, he says, they must cope with public affairs, mediate disputes and help maintain public order, and reflect villagers' opinions and suggestions to the town-level government.

It's estimated that such autonomous farmers' organizations have been set up in 50,316 villages in the province. Thus far, 840,000 village committees have been established in China's countryside since its rural reform began in 1979.

Before that, China's rural areas practiced the "people's commune system" which centralized villages' managing power by arranging them into production teams. Now local governments exist only at the township level.

Guo Xiaohui, a farmer from Xiwangfeng Village near Xinji City, says that in the past villagers did only what the commune let them do and knew very little about other things. "The leaders decided everything for us," he adds.

"Now it is different," he says. "We contracted the land, orchards and factories so that we have the right to do something benefiting the public, such as spending our own money on the village's schools, public health and social welfare."

Wang Shengjie, a township official, says that the villagers now do a lot of things for themselves which the local government could not or would not do for them in the past. "So far," he adds, "nothing done by the villagers runs counter to the nation's laws and regulations."

Wang says that now the local government is directing—but not leading—the village committees. He adds that the government will not interfere in the committee's daily work.

However, says Liu Zhenqi, an official of the province's Civil Affairs Department, some villagers with deeply ingrained feudalistic attitudes are still used to depending on officials to issue orders.

He says that qualified local officials are needed to help the farmers to strengthen their democratic sense and learn about democratic management.

### Severe Mountain Fire in Inner Mongolia Spreads

OW0204162089 Beijing Domestic Service  
in Mandarin 1030 GMT 2 Apr 89

[From the "National Hookup" program]

[Text] An extraordinary mountain fire broke out 50 kilometers north of (Suolun) Township in the Inner Mongolia Autonomous Region. As of noon today, the fire had spread to an area of 800 square kilometers, the northern part being only 45 kilometers from the Daxinganling Forest.

The fire began around 1300 on 30 March at a spot west of the (Hamagou) tree farm of the (Wuchagou) forest farm. The weather in this locality has been dry due to a lack of any heavy rainfall or snow since the beginning of the spring season. The fire risk index [huo xian zhi shu] has reached 4 or 5 in some mountain areas. The dry weather, coupled with relatively strong winds, has resulted in the quick spread of this mountain fire.

As an emergency measure, the departments concerned have mobilized more than 2,000 soldiers and civilians to fight the blaze. The fire in the east and south has by and large been put under control, but that in the west and north continues to burn. Presently, some 700 soldiers and civilians are opening a fire lane in the north to prevent the blaze from spreading to the Daxinganling Forest, which is 45 kilometers away.

According to a weather report, the wind force in the locality is 8 at this time. Since the fire helps to intensify the winds and the winds aid the fire, the fire-fighting work is extremely difficult.

### Blaze Brought Under Control

OW0304193589 Beijing XINHUA in English  
1628 GMT 3 Apr 89

[Text] Beijing, April 3 (XINHUA)—A huge grassland fire in northeast China's Inner Mongolia Autonomous Region has been brought under control today, the State Forest Fire Protection Headquarters announced late night. [sentence as received]

Division belts have been all cleared out surrounding the fire territory to prevent the blaze from further spreading. Fire in east section has been put out, a spokesman for the headquarters said.

He said more soldiers, forest policemen and people will be mobilized to join the battle against the fire. "The fire will be stopped within four or five days."

About 1,500 fire-fighters including PLA men, forest police and local residents, have been battling the blaze since the fire broke out at 12:30 on March 30.



Up to now two helicopters and two patrol aircrafts have been put into operation to help extinguish the fire.

An on-the-spot rescue headquarters was set up immediately after the fire blew up. More fire-fighters are being called in to join the rescue efforts.

This is the second disastrous fire in Daxinganling mountains within two years, which hit an area of 100 square kilometres and burned down grassland totalling 10,000 hectares.

The spokesman said the wind is getting weak. The weather forecast shows it is turning from 7-8 grade wind to 4-5 grade wind on the spot.

No casualties have been reported so far.

**Tianjin Official Views Growing Foreign Investment**  
*OW0104083989 Beijing XINHUA in English*  
*0753 GMT 1 Apr 89*

[Text] Beijing, April 1 (XINHUA)—Some 130 enterprises involving foreign investment have been set up in the Tianjin economic-technological development zone since its establishment on a piece of wasteland five years ago.

These businesses involve a total investment of 220 million U.S. dollars, with foreign money accounting for 60 percent of it, according to a development zone official.

In the first two months of this year, seven more foreign businesses decided to set up shop in the development zone, indicating a "growing investment enthusiasm" from foreign industrialists, Ye Disheng, chairman of the zone's administrative committee, told XINHUA.

In the same period, tax money from the zone's businesses with foreign investment doubled the figure for the corresponding period of last year, said Ye, who is here attending the National People's Congress as a deputy from Tianjin, one of China's 14 coastal open cities.

Currently, 70 percent of these enterprises are making profits.

Last year 80 operating businesses created a total output value of 350 million yuan, with combined profits of more than 80 million yuan, Ye said.

Foreign investments are expanding in terms of scope and scale, with more investors coming from the United States and European countries, Ye said, adding investments used to come primarily from Hong Kong and Macao.

Also, the zone has seen a growing number of big-size, technology- and capital-intensive enterprises, he said.

An American company has recently signed a letter of intent for developing 5.4 sq km of land with an investment that may reach "several billion U.S. dollars," according to Ye.

Another U.S. company, joining the six solely-foreign-funded businesses already set up in the zone, has planned to build an electronics enterprise with an investment of more than 100 million U.S. dollars, and contract for this project is expected to be signed soon, Ye said.

Thus far, the development zone has promulgated more than 60 regional regulations to protect the legitimate rights of foreign businessmen, who can use the service of a lawyers' office and a notarial office in the zone, Ye said.

Ye, describing his committee as "a service operation," said, "to render help and create a good investment environment for foreign industrialists is what we are all about."

**Tianjin's Li Ruihuan Meets Leading Policemen**  
*SK3103085389 Tianjin TIANJIN RIBAO*  
*in Chinese 16 Mar 89 p 1*

[Text] The most outstanding people's traffic policemen in 1988, who were newly appraised recently, were cordially received by municipal leading comrades, including Li Ruihuan, on 15 March.

Li Ruihuan, secretary of the municipal party committee and mayor of the municipality, expressed congratulations to the top 10 outstanding traffic policemen and some other outstanding traffic policemen and expressed his respects to the vast number of public security cadres, policemen, and traffic policemen.

He said: A peaceful and smooth situation cannot exist in Tianjin without your painstaking labor and arduous struggle. The people of Tianjin express their thanks to you. You are the most glorious people. Wu Zhen, chairman of the Standing Committee of the municipal People's Congress, continued: Thank you.

Attending the meeting were Nie Bichu, deputy secretary of the municipal party committee and vice mayor of the municipality, and Lu Xuezheng, Mao Changwu, Tao Yimin, Fang Fang, and Fang Fengyou.

**Northeast Region**

**Heilongjiang's Sun Weiben on Honest Government**  
*OW0204052589 Beijing Domestic Service*  
*in Mandarin 2230 GMT 30 Mar 89*

[Text] During an interview by a station reporter a few days ago, National People's Congress [NPC] Deputy Sun Weiben, secretary of the Heilongjiang provincial party committee and chairman of the Heilongjiang Provincial People's Congress, said: The policy of promoting a clean

government system is difficult to implement because it is too principled, abstract, and flexible. The only way to implement it is by firmly putting our feet on the ground to do practical work, win the people's trust, and strengthen the bonds between the government and the people.

Analyzing the causes of corruption, Sun Weiben said: First, many leading cadres are not sufficiently aware of the seriousness of the problem. Second, China has not yet built an effective supervisory system. The functions of supervisory organs are not guaranteed by law. On the one hand, some supervisory and inspection departments are themselves under the leadership of corresponding level party committees and governments. On the other hand, they are charged with the responsibility of supervising and inspecting their corresponding level party committees and governments. Under these circumstances, it is very difficult for the supervisory departments to discharge their responsibilities if they are not strong enough in party spirit. Moreover, among the various supervisory departments there is a lack of mutual contacts. A good system of coordination and cooperation has not yet been established, causing duplicated efforts as well as bickering among the supervisory departments themselves. Some investigation and prosecution departments are often cowed by the network of relations and the buddy system among bureaucrats, resulting in problems that should be handled being left unsettled, small problems being disposed of while serious ones are left untouched, or lower level units being punished while higher level ones are being allowed to go free.

Dealing with how to solve these problems, Sun Weiben made these proposals: First, promoting a clean government system must begin with the principal leaders at all levels and from the top to the bottom. The leaders at all levels must take the lead to promote a clean government system and set examples to serve the people, embrace the spirit of arduous struggle, and be public servants for the people. Second, it is necessary to establish an effective clean government system. At present, it is necessary first to make the government system open to the public; publicize the results of matters handled by the government; and bring the supervisory roles of the NPC, the Chinese People's Political Consultative Conference [CPPCC], and the democratic parties into play. In establishing a clean government system, care should be taken to make the system accurate, scientific, and workable instead of doing just superficial work. Third, it is necessary to resolutely deal with serious and important cases, mobilize the masses to actively report on corrupt officials, and make reporting on corrupt officials an honorable responsibility and meritorious service of the masses.

Sun Weiben said in conclusion: If we do practical work to promote a clean government system, we are sure to win the masses' trust and will be able to overcome any difficulties encountered in the reform and opening.

**Heilongjiang Adopts Price Control Measures**  
*OW0204165089 Beijing XINHUA in English*  
1453 GMT 2 Apr 89

[Text] Beijing, April 2 (XINHUA)—The government of Heilongjiang Province in northeast China has recently adopted measures to check price increase, today's "PEOPLE'S DAILY" reported.

The measures include:

- Commercial departments should report changes in the prices for essential commodities that are controlled by state plans to the government;
- Price ceilings are set for some major goods in the free market; and
- Commercial departments should lower their profit rates and in turn the prices for some commodities.

Commercial departments should eliminate redundant links in commodity circulation and lower their excessive profit rates and profiteering should be banned, a leading official at the provincial government said.

With the government's decision in effect, the provincial aquatic products supply and marketing company, the provincial pharmaceuticals company and the provincial commercial department have published lists of commodities, on which prices are reduced from 11.1 to 14.8 percent.

**Natural Gas Reserves Found at Daqing Oilfield**  
*OW3103020289 Beijing XINHUA in English*  
1611 GMT 29 Mar 89

[Text] Harbin, March 29 (XINHUA)—Exploration of the Daqing Oilfield in northeast China has made a breakthrough in the discovery of natural gas reserves in its deep layers.

The oilfield is estimated to have reserves of 5 billion cubic meters of natural gas.

The discovery reaffirms the prediction of Chinese petroleum geologists that the deeper part of Daqing, one of China's leading oilfields, is a huge reservoir of natural gas.

A daily output of 54,000 cubic meters of natural gas flowing from a depth of 3,150 meters was struck last July.

Three months later, oil reserves and gas flows were again found at 4,506 meters deep.

# **Large Coalfield Discovered in Heilongjiang**

HK3103145589 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0704 GMT 30 Mar 89

[Report: "Large Coalfield Discovered in Sanjiang Plain in Northeastern China"—ZHONGGUO TONGXUN SHE headline]

[Text] Jiamusi, 30 Mar (ZHONGGUO TONGXUN SHE)—A large coalfield was recently discovered in Heilongjiang's Suibin County. The coalfield covers a large area and has a thick sediment. Its geological reserves are over 500 million tons and the coal type comes under the category of gas coal.

The coalfield is situated in Sanjiang Plain in the border area of northeastern China. Formerly a fertile, black-earth plain called the "Great Northern Wilderness," Sanjiang Plain now boasts four major coal towns, namely, Hegang, Jixi, Shuangyashan, and Qitaihe. It is an important coal base in northeastern China.

# **Jilin's He Zhukang Speaks on Cadre Honesty**

SK0304014389 Changchun Jilin Provincial Service  
in Mandarin 1030 GMT 31 Mar 89

[Text] At a forum concerning the establishment of a system of administrative honesty in the province, Comrade He Zhukang, secretary of the provincial party committee, delivered a speech in which he stated: The province will establish a system of having cadres of the party and government organs register their property and report their incomes. Comrade He Zhukang emphatically stated that we should reveal the policies concerned to the masses. Thus, we can be truly under the supervision of the masses and can make use of the restrictive force which has begun in the supervision and openness to encourage the cadres of party and government organs to perform their official duties honestly.

# **Liaoning's Quan Shuren Visits Tibetan Students**

SK0404061189 Shenyang Liaoning Provincial  
Service in Mandarin 1030 GMT 3 Apr 89

[Excerpts] On the morning of 2 April, accompanied by Wang Zhan, secretary of the Liaoyang City party committee, and (Zhu Shiliang), deputy secretary of the Liaoyang City party committee, Quan Shuren, secretary of the provincial party committee, took a small cream-colored car to the No 1 Liaoyang Middle School to visit Tibetan students.

At the school reception room, Comrade Quan Shuren did not keep himself busy in hearing briefings given by school leaders. Instead, he held cordial talks first with two Tibetan students sitting beside him. When asked about their study and living conditions, the Tibetan students (Dawayingjin) and (Xiaozaxin) told Quan Shuren: We have basically mastered the Han spoken language. We can keep pace with others in our academic record. The teachers and students of Han nationality have all taken good care of us. On hearing their remarks, Quan Shuren's face was radiant with smiles. [passage omitted]

Comrade Quan Shuren was satisfied with the work of the No 1 Liaoyang City Middle School. In addition, he put forward higher demands on the No 1 Liaoyang City Middle School. He said: Your tasks are glorious and your responsibilities are heavy. Training really qualified personnel for Tibet is the best support to Tibet's construction. You should also take good care of the children's livelihood; should be responsible to the CPC Central Committee, the Tibetan autonomous regional government, and the children's parents; and should build the school into a cradle of unity between the Tibetan and Han nationalities.

Quan Shuren also went to students' dormitory and cafeteria to examine the menu and urged the cafeteria managing personnel to respect students' living habits and customs, to prepare meals for them to their liking, and to guarantee their health to fulfill their study tasks.

Before leaving, Comrade Quan Shuren went to the first class whose students entered school in 1985 to bid farewell to the Tibetan students. He said: You should study well and contribute to building a new Tibet after returning home.



**Article Criticizes Taiwan's Elastic Diplomacy**  
OW0404033189 Beijing BEIJING REVIEW  
in English 3-9 Apr 89 p 4

[Article by Jing We: "Overstretched: Taiwan's 'Elastic Diplomacy'"]

[Text] In recent months, the Taiwan authorities have enthusiastically promoted a policy of what they call "elastic diplomacy." They have even sent some leading political figures abroad to drum up support for this idea. However, this move has aroused the attention and vigilance of all people concerned with the reunification of China.

Why have the Taiwan authorities put forward this notion of "elastic diplomacy" today, of all days? Apparently so as to "breach their international isolation." It is true that the Taiwan authorities have become increasingly diplomatically isolated. But for certain they cannot depend on "elastic diplomacy" to resolve this problem.

"Elastic diplomacy" is not new. As early as 1972, soon after the Taiwan authorities were driven from the United Nations, their former "foreign minister" Chou Shu-kai openly claimed, "In the days to come, Taiwan will adopt an elastic diplomatic policy," welcoming contact from all nonhostile countries. This "elastic diplomacy" was an attempt to "unite with Russia," put pressure on the United States and impede the normalization of Sino-U.S. relations. Without achieving his aim, Chou eventually had to step down amidst a wave of opposition.

Since China and the United States established diplomatic relations in 1979, an increasing number of countries have acknowledged that the People's Republic of China is the only legal government representing China, and that Taiwan is only a part of China. Under these circumstances, the Taiwan authorities introduced their so-called "substantial diplomacy," involving the development of substantial relations with countries without diplomatic relations with them. In the last nine years and more, however, this has yielded little result and Taiwan's isolation has worsened day by day. It was failure of "substantial diplomacy" which led to the second-round "elastic diplomacy." This differs from the "elastic diplomacy" of the 1970s. In fact, some scholars in Taiwan call it the "new elastic diplomacy."

So what are the "new" contents? According to observers, they are chiefly, first, that the Taiwan authorities no longer support the principle of "one China" they had previously and repeatedly claimed they would always adhere to. Instead, they now prepare to develop official relations with countries that have already established diplomatic relations with the People's Republic of China in pursuit of so-called "dual recognition." And second, there is Taiwan's attempt to squeeze into inter-governmental international organizations under the title of the

"Republic of China." This practice has only one intention: legalizing and solidifying the present separation between the two sides of the Taiwan Strait to eventually make the "two Chinas" an accomplished international fact.

However, it is merely wishful thinking on the part of the Taiwan authorities and is utterly impracticable.

Any act of the Taiwan authorities to create "two Chinas" will definitely arouse opposition from people of both sides of the Taiwan Strait. The Chinese Government will never tolerate the materialization of the attempts of creating "two Chinas" or "one China, one Taiwan." No Chinese concerned with realizing the peaceful reunification of the motherland will sit by and watch indifferently acts of the Taiwan authorities aimed at permanently splitting their country. If the Taiwan authorities are bent on having their own way, they will simply move further from public opinion.

As far as international legal principles and political realities are concerned, there is no prospect of the Taiwan authorities succeeding either.

International law stipulates that a unitary country can only have one central government, and only this government has the right to establish diplomatic relations with other countries and join inter-governmental international organizations. China is a unitary country, the People's Republic of China, and Taiwan is a part of China. This has long been acknowledged by the international community. As the Taiwan authorities can by no means qualify as a government under the main body of international law, they therefore do not have the right to establish diplomatic relations with other countries and join inter-governmental international organizations. The Taiwan authorities' attempt to create "two Chinas" through "elastic diplomacy" and "dual recognition" will definitely be opposed by countries which seek to safeguard the principles of international law.

The Chinese Government does not object to Taiwan developing wide-ranging people-to-people, economic, trade and cultural exchanges with the countries of the world. These exchanges, which are growing, will benefit Taiwan's prosperity and stability. But "elastic diplomacy" with its futile attempt at gaining "dual recognition" is another matter.

"Whosoever understands the times is a great man." We hope the Taiwan authorities will no longer continue to run up and down the blind alley of separation, and instead will return to the path of peaceful reunification at an early date. Only in this way can the Taiwan authorities' current isolation be thoroughly removed.

**Visiting Taiwan Monk Pleads for World Harmony**  
*HK0304091989 Beijing CHINA DAILY*  
*in English 3 Apr 89 p 3*

[By staff reporter]

[Text] The peoples of the world must learn to accommodate one another's differences, according to Master Xingyun of Taiwan, who led the largest-ever Buddhist delegation to the mainland last week.

"Our world is made up of many differences among states, nationalities, cultures and religions. We human beings ought to seek similarities within these diversities so as to respect each other, root out disputes and conflicts and live in harmony. It is a great stupidity to antagonize and so weaken one another," Master Xingyun said in Beijing recently.

Master Xingyun made his plea for harmony last Thursday when nearly 100 mainland Chinese scholars and experts gathered at Beijing's Peace Hotel to greet him.

Master Xingyun shared three aspirations:

First, that scholars from the mainland would be able to participate in this year's international Buddhism symposium sponsored by Taiwan. Master Xingyun also expressed his regret that mainland scholars had not been able to attend such seminars before.

Secondly, he hoped that mainland scholars would be able to give lectures on Oriental culture at the International Culture University which Master Xingyun is striving to establish. He hopes that both Oriental and Occidental cultures will flourish there.

Finally, he said he would donate \$10,000 to the Chinese Culture Academy of Classical Learning. The donation, he said, exemplifies his intention to develop and extend Chinese culture.

**Guangdong To Promote Exchanges With Taiwan**  
*OW3103043389 Beijing XINHUA in English*  
*1431 GMT 29 Mar 89*

[Text] Beijing, March 29 (XINHUA)—Guangdong Province is working to promote exchanges with Taiwan and welcome visits and investment by Taiwan compatriots, according to Governor Ye Xuanping today.

In an interview with XINHUA, the governor, who is currently in Beijing attending the Second Session of the Seventh National People's Congress (NPC), said that his province will set up a consulting center for Taiwan compatriots with regard to investment and trade.

He said that there were about 100 enterprises funded by Taiwan businessmen in Guangdong and their investment exceeds 100 million U.S. dollars. The volume of Guangdong's trade with Taiwan through a third party reached more than 200 million U.S. dollars last year, twice the figure in 1987.

The number of Taiwan businessmen who come to attend China's export commodity fair in Guangzhou is on the increase, he added.

Guangdong Province is a major gate in south China. Last year, several hundred thousand Taiwan compatriots passed through Guangdong for visits or seeing relatives on the mainland. For the convenience of Taiwan compatriots, the local customs, posts and telecommunications, transport, and tourism departments offer special services for them, the governor said.

**President Li Receives U.S. Congressmen**  
*OW3103083989 Taipei CNA in English 1446 GMT  
30 Mar 89*

[Text] Taipei, March 30 (CNA)—President Li Teng-hui received an eight-member delegation of U.S. Congressmen Thursday at the presidential office.

President Li told the visiting American congressmen, led by Marvin Leath (D-Texas), that political democratization and economic liberalization are the Republic of China's (ROC's) policy goals. The ROC Government is currently carrying out a variety of reforms in order to realize these two goals, Li said.

"During this transitional period," he stressed, "we are confident we will overcome all problems facing the country, including trade frictions with the U.S."

Congressman Leath said he was impressed by ROC efforts to improve its trade imbalance with the U.S.

Leath and his colleagues, including Edolphus Towns [D-New York] and Robin Tallon [D-South Carolina], arrived in Taipei Monday for a week-long visit at the invitation of the Chinese National Association of Industry and Commerce.

**Li Urges Vigilance Against Mainland Intentions**  
*OW0104142289 Taipei International Service  
in English 0200 GMT 30 Mar 89*

[Text] President Li Teng-hui stated at an army base in Pingtung in southern Taiwan on Tuesday that, in wake of his recent trip to Singapore, the Chinese Communists have sent signals that they are nervous.

Li stated that the Chinese Communists fear the ROC's [Republic of China's] continued economic development, the ROC's spreading participation in international activities, and the ROC's desire to transplant policies of equality on the mainland.

The President stated that the goal of the Chinese Communist regime presently is to swallow the ROC. Li made his remarks at the base after inspecting military maneuvers by soldiers.

Li stressed that in the 40 years since the ROC Government has come to Taiwan, the contribution of the military to the island's stability has been enormous.

He said that since the Government here has allowed citizens to return to the mainland to visit relatives, it seems as though now major problems have arisen between the two sides of the Taiwan Straits.

Li said actually that this is false, as leaders on the mainland are trying to isolate the ROC in the international community. He said that the mainland is also trying to entice ROC businessmen to do business there to

increase exchanges between the two sides. Li stated that this situation should not be taken lightly as the mainland has never renounced its intention of taking Taiwan by military force.

**Mainland Petition Seizure 'Serious Embarrassment'**  
*OW0204175789 Taipei International Service  
in English 0200 GMT 31 Mar 89*

[Station commentary by Joanna Fu: "Peking Seizes Overseas Chinese Petition"]

[Text] This is one petition that did not have its day in court; the late breaking news story from Peking involves a petition that was filed by some 24,000 Overseas Chinese from Hong Kong and as many as 34 other countries. The petition called for the release of political prisoners in Mainland China.

It is now a big news item because the Chinese Communist authorities had the audacity to confiscate the petition at customs. It was being delivered by a group of seven Hong Kong human rights activists.

The petition demanded the release of all political prisoners, but focused on the case Wei Ching-sheng, who has been jailed for 10 years this month for his part in the prodemocracy Peking Spring Movement that existed briefly in 1978. Wei has become an international cause celebre.

The petition was timed to support a growing movement among Mainland Chinese intellectuals, who have been uniting together to demand freedom and democracy in their homeland. A month ago, a group of 33 well-known Mainland intellectuals and dissidents signed a letter to the Chinese Communist leadership, calling for Wei's release and democratic reforms. Their letter was met with a strong rebuttal from Communist Party chief Chao Tzu-yang, who said that anyone who tries to unseat the Communist Party from power will be crushed in turn. Chao said that the party's supremacy was not a point for discussion, and he warned dissidents and their foreign supporters to back off.

After the petition carried by the Hong Kong Seven was confiscated by customs, the group managed to rewrite portions of it in letter form. The letter was delivered to deputies attending the annual session of Communist China's legislature.

On Saturday, however, a top member of the legislature said that the amnesty has been ruled out, largely because Communist China denies the existence of political prisoners. According to the deputy, Wei and other prisoners are not prisoners of conscience, but rather counterrevolutionaries, who dared to buck the communist system. In the communist lexicon, a counterrevolutionary is on the lowest rung of the social ladder, considered a disease the



communists must stamp out, so as to protect their dictatorship. Somehow, the communists think this does not make them political prisoners.

The seizure of the 24,000-name petition is bound to cause serious embarrassment for Peking in Chinese communities round the globe. For starters, Peking has tried, albeit unsuccessfully, to wean Overseas Chinese away from supporting the Republic of China on Taiwan. This move will definitely defeat that purpose, and drive a further wedge between Peking and Overseas Chinese. Second, the Chinese Communist Constitution states that all Chinese, including Overseas Chinese, have the right to petition the communist regime in Peking. Obviously, this has been exposed as words on paper and nothing more, for the whole world to see.

Once again, Peking has demonstrated that it has no intention of tolerating dissent or pluralism, and that such noble petitions are given for naught.

**Soldiers Stranded on Mainland Allowed To Return**  
*OW0104121989 Taipei International Service*  
*in English 0200 GMT 30 Mar 89*

[Text] The Bureau of Entry and Exit on Friday will begin accepting applications from former government soldiers stranded on the mainland who wish to return to Taiwan for resettlement. The bureau said applicants presently on the mainland may ask their relatives on Taiwan to apply on their behalf.

According to official statistics, there are more than 1,000 former government servicemen still living on the mainland. Most, if not all, of them are known to be interested in returning to Taiwan to start a new life. So far, only a few of them have come here for family visits.

Under a new government ruling, the returnees may bring their spouses and children below the age of 18 with them. However, those who have joined the Chinese Communist Party or any other so-called rebellious organization must renounce their relations with such parties or organizations in a third country before they will be admitted here. After arriving in Taiwan, a returnee must make domicile registration with local administration offices within 15 days. Upon registration, they will officially become citizens of the Republic of China. However, once a returnee has become a Taiwan resident, he or she shall be forbidden to go back to the mainland again. If he is determined to go, the person will not be allowed to return to Taiwan.

**Soviet Legislative Election Termed 'Breakthrough'**  
*OW0104074689 Taipei International Service*  
*in English 0200 GMT 29 Mar 89*

[Station Commentary: "Moscow's First Real Election"]

[Text] The Soviet Union came up with an pleasant surprise this week, as the nationwide election of deputies to the Soviet legislature turned out to be rather open,

with some multicandidate races adding a touch of Western democracy, and even Western style campaigning, to an otherwise traditionally dull election process.

The biggest surprise was the performance of Boris Yeltsin, the former Moscow Communist Party chief, who was ousted in 1987, after he warned that a Stalinist type of personality cult might form around Soviet leader Mikhail Gorbachev.

Yeltsin conducted an election campaign not too dissimilar from those found in the multiparty democracies. He crunched hands and kissed babies as he traipsed around Moscow streets gathering supporters for his "antiestablishment ticket."

Yeltsin campaigned on the issues, saying he would fight party privilege and expose economic failures. He ran against the party-supported candidate, the head of the Zil Limousine Factory outside Moscow. First reports are that Yeltsin scored a landslide in what is now being touted as the first multicandidate race of any significance in Russia in 70 years.

Yeltsin campaigned openly about sensitive issues, and called for drastic changes in Soviet society. A Western organization taking an exit poll discovered that most voters who chose Yeltsin said he was "a fresh alternative to what we have now." In fact, a vote for Yeltsin was considered a vote against the Soviet establishment.

Yeltsin's campaign was so open that it even provoked several responses from Gorbachev himself. The Soviet leader urged people not to accept Yeltsin's challenge for a quickened pace of reform. Instead, he urged them to accept gradual change and reforms. That call apparently went unheeded, as some 90 percent of the voters handed Yeltsin a landslide.

Voters turnout in Moscow was a high 80 percent, largely due to Yeltsin's campaign publicity. But another inescapable conclusion is that Russian voters were thrilled to have a taste of candidate competition. For 70 years now, elections for the Soviet legislature have involved single, unopposed candidates on the ballot. Low turnout was a given, since few people could see any sense in casting a ballot that contains only one name.

In the Stalinist, Krushchev, and Brezhnev periods, people voted out of fear, and they almost always voted for the unopposed candidate. In the 80's, however, more and more Soviet voters are casting blank ballots, as votes against the single candidate, and as votes against the system.

The multicandidate election in Moscow is being properly hailed as a revolutionary change in Soviet politics. Now that the people have got a taste of grass-roots democracy, it is unlikely that the Soviet regime will be able to suppress it in the future. Yeltsin's candidacy, though

crude in some respects, still represents a breakthrough in Soviet politics. It may seem that after 70 years of empty propaganda, the power is finally shifting to the people.

**Polish Trade Mission Attends Taipei Seminar**  
*OW0104174189 Taipei CNA in English 1030 GMT  
1 Apr 89*

[Text] Taipei, April 1 (CNA)—A Polish trade delegation, the first of its kind to visit the Republic of China [ROC] on Taiwan, said at a seminar Friday that the primary aim of its visit is to dissolve obstacles hindering trade and economic ties between the two sides, including the opening of trade offices, lifting of entry visa restrictions, and lowering of import tariffs.

Members of the delegation also said they were interested in contacting potential business partners during their visit. The seminar was attended by over 60 local manufacturers.

According to the China External Trade Development Council (CETRA), the delegation comprises representatives from Poland's 12 major state-run enterprises, which the council said covers almost all of Poland's major industries. They are important channels for breaking into East European markets, the council suggested.

According to CETRA, industries in which the group is seeking cooperation with local manufacturers involve foodstuffs, textiles, electronics, home electrical appliances, medical appliances, agricultural products, machinery, and metal processing.

The delegation pointed out that the Polish Government has enacted many measures granting preferential treatment to foreign investors since it relaxed foreign exchange controls. However, the group said, both Poland's and Taiwan's import tariff rates are still too high, adding that it will actively try to solve this problem with the ROC Government in a bid to increase incentives for manufacturers on both sides to do business in each other's market.

Krzysztof Kijak, a trade consultant in Poland's External Economic Relations Department and the first Polish official ever to visit here, called on the island to approach trade with Poland, saying that Poland, since launching a wave of economic reform policies, has treated the development of economic and trade ties with capitalist and socialist countries equally.

With Taiwan's rapid economic development in recent years, the island has become a major economic power in the Asia Pacific region, he said, and has thus become a target for socialist nations seeking to develop and expand their economies.

He stressed that Poland is an ideal base for local manufacturers intending to break into European markets because of its geographical location and close ties with both East and West European nations. In addition, he said, Poland has complete financial and shipping services.

**Government To Liberalize Foreign Exchange Market**  
*OW0104135389 Taipei International Service  
in English 0200 GMT 29 Mar 89*

[Text] In order to adapt to the trend of liberalization and the foreign exchange market, the Central Bank of China [CBC] has decided that, starting from next week, it will abolish the current foreign market transaction system. However, the CBC stated that the bank will still apply its guidance in the market as needed to maintain a stable market system. The bank noted that, from April 3, the system of having a mid-rate will be abolished. At the same time, the bank will dump the restriction that the parity rate will not be allowed to fluctuate more than 2.25 percent daily. The current system of the mid-rate, or the daily weighted average, determines the parity rate of the NT [new Taiwan] dollar against the U.S. dollar at the opening of each session so that it equals to the average of the bank's trading rate during the previous day's session. To prevent speculative selling of the local currency, foreign banks will be limited to purchasing \$20 million daily, while local banks will be limited to \$50 million. These regulations went into effect as of Tuesday. Reaction to the bank's announcement was varied on Tuesday. Some members of the foreign banking community said that they had doubts about whether the deregulation will lead to a freer exchange market, as five of the nine banks involved in foreign transaction are government run. However, local bankers and scholars said that the step was significant, as controls on the market are being loosened, and the market will likely become more lively. The vice general manager of the First Commercial Bank here, [name indistinct], stated on Wednesday that the Government must hasten its steps to privatize the foreign exchange market, and make it more diversified. He said that he believed that the Central Bank will be more flexible in the future on controlling the market.

**Industrial Exports Increase in Jan, Feb**  
*OW3103123589 Taipei CNA in English 1024 GMT  
31 Mar 89*

[Text] Taipei, March 31 (CNA)—Outbound shipments of industrial products in the January-February period of the current year reached more than U.S. dollars 8.98 billion, accounting for 95.3 percent of the nation's entire exports totaling U.S. dollars 9.43 billion, government officials said.

According to officials of the Board of Foreign Trade [BOFT], the country's top trade governing organization, and the Inspectorate General of Customs, the overall

exports in the first two months showed a boost of U.S. dlrs 265.8 million or a growth of 3 percent from the amount of U.S. dlrs 8.27 billion a year earlier.

Processed agricultural goods from Taiwan were delivered to foreign countries at a total price tag of U.S. dlrs 379.2 million, which occupied 4 percent of the whole outbound shipments of Taiwan-manufactured cargoes in the same months.

Top executives of the BOFT said that the January-February exports of processed farm products sustained a growth of U.S. dlrs 22.8 million for a rise of 6.4 percent against that for the previous year.

In the corresponding period last year, the departure shipments of the same category were priced at U.S. dlrs 356.4 million, official initial statistics denoted.

At the same time, agriculture goods sold to buyers and importers abroad topped U.S. dlrs 62 million, dropping by U.S. dlrs 60.9 million or a dip of 49.6 percent, the tabulations indicated.

A year ago, farm products consigned overseas were quoted at U.S. dlrs 122.9 million, the BOFT officials pointed out.

In terms of imports, they said, raw materials topped the list of three major items, chalking up U.S. dlrs 5.43 billion which represented 68.2 percent of the whole imports worth U.S. dlrs 7.97 billion.

Compared with the total imports of U.S. dlrs 5.69 billion marked for last year, the current year level posted a decrease of U.S. dlrs 258.6 million for a drop of 4.5 percent.

Capital goods delivered to Taiwan in the first two months amounted to U.S. dlrs 1.53 billion, shooting up by U.S. dlrs 402 million for an expansion of 35.5 percent over the prices of U.S. dlrs 1.13 billion in 1988.

Inbound shipments of consumer products hit U.S. dlrs 1 billion, soaring by U.S. dlrs 114 million or a growth of 12.8 percent against U.S. dlrs 888.1 million for the like months in the preceding year.

#### **KMT To Convene Plenary Session in June**

HK0104065089 Hong Kong AFP in English 0646 GMT  
1 Apr 89

[Text] Taipei, April 1 (AFP)—Leaders of the ruling Kuomintang (KMT) are to meet in a plenary session in early June to map out major political and economic plans, a high-ranking KMT official said here Saturday.

The party's 180 central committee members and 218 advisory members will attend the June 3-5 meeting, the second plenary session since the 13th party congress in July, said Raymond Dai, director of the KMT Cultural Affairs Department.

The leading party members are to put forth measures to help private enterprises overcome business difficulties to ensure continued economic growth, Mr Dai said.

They are also to endorse a primary system in which KMT members, for the first time, select their own candidates for the December 2 elections of parliamentarians, city mayors and county magistrates, and city and county assemblymen, he added.

KMT candidates for the races were previously nominated by the top leadership.

President Lee Teng-hui, concurrent KMT chairman, said in a statement Saturday that the primary is a "historic move which demonstrates the party's determination for reforms by creating a fair, honest and open election system which would invite more participation from the members."

Observers said the ruling party is gathering public support to win the crucial elections in which the KMT is challenged for the first time by legal opposition parties.

The KMT, in power since it was forced out of the Chinese mainland in 1949 by the communists, has launched various political reforms in the past two years including the lifting of martial law, permitting demonstrations, legalizing political parties and rejuvenating the congress.

But inflationary pressure, anti-pollution sentiment and growing labor movements have threatened expansion of some local industries and discouraged foreign investment, observers said.

The Central Bank of China announced a package of measures including interest rate hikes to tighten credit aiming to slow down the country's fast-growing money supply which registered 26.3 percent in February.

The banking authority hopes to slow down the country's fast-growing money supply to help curb inflation which shot up to 4.07 percent in February, the highest in six and a half years.



**Taiwan Provincial Governor Views Coming Elections**

*OW0104123189 Taipei International Service*

*in English 0200 GMT 29 Mar 89*

[Text] Taiwan provincial Governor Chiu Chang-huan said on Tuesday that the Taiwan Provincial Government will make the national and local assembly elections its major undertaking this year. The provincial government will request that all concerned authorities devote full efforts to help carry out the smooth operations for the

December elections. The provincial government is currently mapping out important measures for the coming elections, which will lead the nation towards a more mature and democratic rule. Chiu furthered noted that further important measures include solving financial problems for local government, strengthening local government, and cultivating local resources. Meanwhile, in order to improve the investment environment and stabilize economic development, the Government will also concentrate on promoting a harmonious relationship between labor and management, and protect the interests of the worker.

## Hong Kong

### Reaction to Seizure of Rights Petition Continues

#### Local NPC Deputies' Help Sought

HK0104050389 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Apr 89 p 5

[From Carol Lai in Beijing and S.Y. Wai]

[Text] Local delegates to the Chinese National People's Congress (NPC) have been asked to help retrieve the human rights petition which was seized by customs authorities in Tianjin on Tuesday.

A seven-member Hong Kong delegation which failed to take the petition to Beijing expressed fears yesterday that the 24,000 signatures it contains would never reach the Standing Committee of the NPC without the help of the local delegates.

The human rights group sent the NPC delegates a letter by facsimile urging them to take steps to make sure the petition would get to its destination.

The letter also asks the delegates to back the petitioners' call for the release of political prisoners on the mainland.

A full report on the seizure was filed yesterday by the British Embassy in Beijing to the Foreign and Commonwealth Office (FCO) in London.

The report was compiled on the instruction from the FCO ordering the British Ambassador to China, Sir Alan Donald, to report on the case before Whitehall decides whether to protest to China's Vice-Minister for Foreign Affairs, Mr Zhou Nan, who is visiting Britain.

But a spokesman for the embassy, Mr Peter Davis, tried to play down the incident by saying that the report was merely routine and that the members of the human rights group had not been maltreated as they claimed.

"The delegation has not contacted the embassy. They came and delivered their petition, held a press conference and then happily went back to Hong Kong without disruption," he said.

The FCO confirmed last night that it had received the report and was giving it consideration. But sources said it seemed unlikely the subject would be brought up with Mr Zhou, who ends his five-day tour of Britain today.

Privately, FCO officials admitted that they were surprised by the fuss the incident had caused in Hong Kong, stressing that the delegation was, after all, allowed to hold its press conference in Beijing.

The petition was seized by customs authorities in Tianjin when the delegation was on its way to Beijing petitioning for the release of political prisoners.

One member, Chong See-ming, a journalist with a local magazine, was forced to return after he was told his travel document was not properly stamped.

Tianjin customs authorities said the delegation was free to take back the petition at any time but the petitioners were adamant that they would not return to Tianjin themselves.

But the Director of the Chinese Customs Bureau, Mr Dai Jie, said yesterday that the seizure of the petition was made according to a set of "provisional administrative regulations" which he did not elaborate on.

He said the petition would only be delivered to the NPC Standing Committee upon "special instruction".

The petitioners also sent a letter to Mr Xu Jiatur, the Director of the NEW CHINA NEWS AGENCY's (NCNA) Hong Kong branch, yesterday protesting against its handling of the case.

Delegation member Lau Chin-shek, also director of the Christian Industrial Committee, last night criticised the NCNA for its comments on the seizure.

"A senior NCNA official has said our mission would have gone smoothly had we asked the agency to arrange it for us," he said.

"The NCNA has never announced that all petitions from the Hong Kong public have to be made through it," he said.

#### Journalist Challenges Entry Refusal

HK0104043889 Hong Kong HONGKONG STANDARD  
in English 1 Apr 89 p 1

[By Fan Cheuk-wan and Yau Shing-mu in Beijing and Tony Chan]

[Text] The Hong Kong delegation member barred from entering China challenged Beijing yesterday to give the "real" reason... and threatened that otherwise he would do so.

Mr Chong See-ming, a correspondent of the CHENG MING magazine banned in China, was ordered out when he arrived on Tuesday as a member of a Hong Kong delegation petitioning for the release of political prisoners in China.

The delegation complained of being harassed by Chinese authorities and a petition with 24,000 signatures was seized by Chinese Customs officials.

Mr Chong said yesterday China's move against him was prompted by political motives.

He said he knew the reason, but he would like to challenge the Chinese Government to give its reason or he would reveal it. "China hates me for a mysterious and special reason. I invite them to make it public first," Mr Chong said, but declined to elaborate.

"I will tell the whole thing at the appropriate time if China does not make the first move."

He confirmed it was a political reason when pressed.

He strongly denied China's charge that he forged several dozen work certificates and recommendation letters for personal gain.

"This all happened in 1984 when I worked for a French firm and needed to visit Shanxi frequently on business trips," Mr Chong said.

"For convenience sake, my superior and I asked the chief of the railway authority to issue to us working identity cards. We gave him our pictures," Mr Chong said.

"The next day, we got the cards with our picture and a firm's chop.

"The cards were blank apart from that. We then filled in the card saying we were the firm's consultants.

"A friend, surnamed Mr Cheung, also gave us several dozens of signed but blank recommendation letters.

"We only used them once to buy air tickets.

"It was wrong to accuse me of using the document for personal gain.

"I bought air tickets in foreign exchange certificates, and didn't make a personal gain from that.

"Even if I was wrong, the public security regulations stated document forgery, if slight, was punishable by a maximum fine of 14 yuan and seven days in custody.

"But I was imprisoned for two years from 1985 to 1987. It was only because they wanted to persecute me but were unwilling to tell the truth. The accusation only gave them an excuse."

Mr Chong claimed he suffered harsh treatment while in prison.

"I was confined to a single cell and was only allowed to go to the toilet outside at times set by the prison," he said.

Mr Chong put the question at yesterday's press conference about why he, as a Chinese, was deprived of his right to enter his own country.

Meanwhile, the British Embassy in Beijing was yesterday preparing a report for the Foreign Office in London.

Its First Secretary Mr Peter Davis told the HONG-KONG STANDARD the report would be based on "facts reported by the press."

He said the embassy would not conduct an independent investigation but would "ask for clarification from ministries concerned".

He refused to comment on the incident, saying it would not be appropriate for an embassy to comment on another country's customs law.

Mr Davis said had the delegation asked the embassy for help, they would have considered taking action at that time.

The embassy's low-key response followed the statement by the British Foreign and Commonwealth Office that it regretted the incident.

The XINHUA NEWS AGENCY said yesterday it noted the Foreign Office statement but refused to comment.

The Head of its Foreign Affairs Department, Mr Ji Shaoxiang, said neither the British nor the Hong Kong Government had contacted them.

#### UK Urged To Guarantee Rights

HK0204022689 Hong Kong SOUTH CHINA  
SUNDAY MORNING POST in English 2 Apr 89 p 2

[By Eamonn Fitzpatrick]

[Text] Liberal Legislative Councillor Martin Lee Chuming yesterday urged Britain to insist that all human rights provisions in the Joint Declaration be fully protected in the Basic Law.

This came after last Tuesday's incident, when Chinese authorities confiscated petitions from Hong Kong human rights activists demanding an amnesty for political prisoners on the mainland, and denied entry to one member of the group into China.

Mr Lee's request follows that of the Foreign and Commonwealth Office for a full report on the incident in which Tianjin immigration officials refused entry to one member of a seven-member Hong Kong delegation intending to present the petition containing 24,000 signatures to the Chinese National People's Congress in Beijing.

Speaking after the opening ceremony of the Consumer Council's "Consumers' Right to Know" exhibition, Mr Lee said it was the third major infringement of human rights by Chinese authorities which had prompted concern in Hong Kong.



"There are some well-written provisions of human rights under the second draft, but even if they are spelt out perfectly in the Basic Law, is it subject to the Chinese constitution?" Mr Lee asked.

Mr Lee, who is also the Consumer Council chairman, says the implementation of human rights in China is subject to the Chinese authorities.

There was a danger of the same situation happening in the territory after 1997, he said.

"We were assured by the mainland drafting committee members that anything in the Chinese constitution which pertains to socialism will not be applicable to Hong Kong.

"Even now there is no such word written into the draft. The relationship between the Chinese constitution and the Basic Law should be clearly spelt out. It's all oral promises which is clearly insufficient," he said.

Mr Lee also slammed the Chinese authorities for having no immediate plans to invite partners from outside China to assist in the construction of the second nuclear power plant at Daya Bay.

"One knows with experience what had gone wrong with the first plant.

"But if the second plant is to be built and operated exclusively by China without outside participation and if the first plant is safe, that doesn't mean a thing if the second plant goes wrong.

"I think that is of crucial importance and if the Chinese authorities intend to go ahead like that, they are being totally insensitive to the fears of the people of Hong Kong," he said.

The month-long exhibition at the Shun Tak Centre shopping arcade in Sheung Wan focuses on the pitfalls that consumers can experience when buying goods and is aimed at promoting consumers' rights.

**Group To Press for Investigation**  
HK0304014989 Hong Kong SOUTH CHINA  
MORNING POST in English 3 Apr 89 p 6

[By Jimmy Leung]

[Text] A political group will ask Hong Kong deputies to the National People's Congress (NPC) to press for an investigation into the Tianjin incident, in which seven Hong Kong petitioners failed to present 24,000 signatures demanding the release of political prisoners in China.

Vice-chairman of the Hong Kong Association for Democracy and People's Livelihood, Mr Lee Wing-tat, said yesterday the incident clearly demonstrated that officials had violated the Chinese Constitution.

Last week's impounding of the petition by customs officials at Tianjin airport attracted international attention.

Mr Lee said that the Hong Kong delegates wanted to express views and should not be deprived of such personal freedom.

"An investigation report on the unhappy incident should be handed to the Standing Committee of the NPC and it should be made public," Mr Lee said, adding it was unacceptable that the signatures were considered propaganda material.

He said the Tianjin incident showed customs officials were interpreting the law arbitrarily and their powers were not supervised.

"Such action hindered Chinese compatriots to reflect their views to the Standing Committee of the NPC, and is an infringement of civic rights and the constitution," Mr Lee said.

The association said the incident had affected Hong Kong people's confidence in China's pledge of "one country, two systems" enshrined in the Basic Law.

"We wonder whether such rule-by-man style would be applied in dealing with matters between the Central Government and future Hong Kong Special Administrative Region [SAR] government as well as SAR internal affairs," Mr Lee said.

Association chairman Dr Ding Lik-kiu said they would send a letter to the NPC through the Hong Kong NCNA [NEW CHINA NEWS AGENCY] demanding unconditional release of political dissidents Wei Jingsheng and five others.

**Xu Jiatun on Vietnamese Children Residency Issue**  
HK0104044989 Hong Kong SOUTH CHINA  
MORNING POST in English 29 Mar 89 p 6

[By Esme Lau]

[Text] China's top representative in Hong Kong, Mr Xu Jiatun, yesterday said the thorny problem of residency rights for a group of about 150 Hong Kong-born Vietnamese children should be resolved by the Sino-British Joint Liaison Group (JLG).

"The matter should be dealt with according to the principles enlisted in the Sino-British Joint Declaration and resolved by the Joint Liaison Group," Mr Xu said after officiating at the opening of a Basic Law exhibition in Central.

Mr Xu, director of the NEW CHINA NEWS AGENCY (NCNA), is the latest Chinese official to become embroiled in the diplomatic row over whether Vietnamese children born in Hong Kong before January 1, 1983 are entitled to citizenship rights in the territory after 1997.

Differences have emerged between Britain and China over the interpretation of articles contained in the draft Basic Law over qualifications for residency after 1997.

Last week, the deputy director of the Hong Kong and Macao Affairs Office, Mr Lu Ping, said Beijing would not recognise the status of Vietnamese children born before 1983 even though they had been given the right of abode by Hong Kong.

The Hong Kong Government policy states that Vietnamese children born here before January 1, 1983 when the new British Nationality Act came into force, automatically qualify for local residency.

Of the more than 6,000 births recorded to Vietnamese refugees in Hong Kong only about 150 born before the change in the nationality ordinance are entitled to full Hong Kong residency.

The former nationality law conferred British Dependent Territory Citizen status on anyone born in the territory, including children born to Vietnamese refugees.

But yesterday, Basic Law drafter and retired judge, Mr Simon Li Fook-sean, said he regarded the group as illegal immigrants and therefore not entitled to residency rights under the draft Basic Law.

"On the face of it, these Vietnamese children, who will have been living in Hong Kong for at least seven years by 1997 seem to be entitled to residency rights as stated in Article 23 of the Basic Law.

"But their cases are doubtful since their parents are illegal immigrants and they may not be recognised as permanent residents here in the future," said Mr Li, who is the local convenor of a Basic Law sub-group studying residents' fundamental rights and duties.

The charge de mission of the United Nations High Commissioner for Refugees (UNHCR), Mr Fazlul Karim, however, disagreed.

"As far as we know, these children are given the rights under the law and we have not been informed of anything to the contrary," he said.

He declined to comment on the Chinese stance saying Beijing had not officially informed the UNHCR about its policy on the Vietnamese children.

**Warning on 'Deviation' From Accord**  
*HK0104045189 Hong Kong SOUTH CHINA*  
*MORNING POST in English 1 Apr 89 p 22*

[Editorial: "Refugee Children Are No Business of China"]

[Text] There is no need for the Sino-British Joint Liaison Group (JLG) to discuss the right of Hong Kong-born ethnic Vietnamese to permanent residency in the territory. Despite objections from China, their entitlement was guaranteed in 1984 with the Joint Declaration, and reaffirmed in revised draft of the Basic Law. The request by mainland officials, and by the Hong Kong bureau chief of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, to have the issue resolved by the JLG is untenable. Both Britain and China have to honour in full the terms of the Joint Declaration. Any deviation from the pact would question the validity of the entire accord.

China claims that the decision by Britain to recognise Hong Kong residency status for 150 young refugees would tempt more Vietnamese peasants to the territory. It is also known to be opposed to British adoption of the first asylum policy and is further disturbed by the Hong Kong Government's liberalised "open camp" policy towards refugees that might lead to the eventual assimilation of these people. China has repeatedly stressed that Britain has to solve the refugee issue before 1997, an obligation that the Foreign Secretary, Sir Geoffrey Howe, has acknowledged.

The issue of the nationality of the small number of Vietnamese refugee children who fall into the category in question is a British sovereign matter, pure and simple. When the United Kingdom amended the British Nationality Act (BNA) six years ago, it implicitly acknowledged the right of all refugee children born in Hong Kong before January 1, 1983 to hold British Dependent Territory Citizens passports and reside in Hong Kong, should they choose to do so. All this is in keeping with the spirit of the Joint Declaration. Annex I clause 14 is worth repeating for it clearly states that those who qualify for the right of abode in the territory are: "All...persons who have ordinarily resided in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region for a continuous period of seven years or more and who have taken Hong Kong as their place of permanent residence before or after the establishment of the Hong Kong Special Administrative Region, and persons under 21 years of age who were born of such persons in Hong Kong before or after the establishment of the Hong Kong Special Administrative region. Any other persons who had the right of abode only in Hong Kong before the establishment of the Hong Kong Special Administrative Region." A similar condition is found in Chapter III, Article 24(4) of the revised draft of the Basic Law: "Persons who are not of Chinese nationality but who have ordinarily resided in Hong Kong for a continuous period of no less than seven years

and have taken Hong Kong as their place of permanent residence before or after the establishment of the Hong Kong Special Administrative Region (shall enjoy the right of residency)."

China has every right to seek to use the JLG as a forum for negotiations on relevant issues concerning Hong Kong. What the JLG is not meant to do is to tinker with principles agreed to in the Joint Declaration, which is immutable. The insistence by China that nationality be re-defined could set a precedent, and lead to more demands for changes to the Joint Declaration.

Any concession by the United Kingdom on the nationality of refugee children could also fuel suspicion in Hong Kong about British resolve to uphold the Joint Declaration and resist pressure from China. Indeed, Britain is currently in no position to reexamine its nationality stance towards the refugees, since it has already rebuffed repeated calls from Hong Kong people and their supporters in the United Kingdom for a more liberal interpretation of the BNA. Sir Geoffrey and the Minister of State with special responsibility for Hong Kong, Lord Glenarthur, have said on several occasions that the BNA is fixed.

If the United Kingdom acquiesces to China on the issue of the Hong Kong-born Vietnamese, it could cause grave embarrassment to the British Government, and affect public confidence in Hong Kong.

**Post-1997 Fears Spur Emigration Offer to Priests**  
*HK0104045789 Hong Kong SOUTH CHINA*  
*MORNING POST in English 1 Apr 89 p 1*

[By John Tang]

[Text] Fears about religious freedom after 1997 has spurred the Lutheran church to offer its ministers the chance to emigrate to Canada.

Under the scheme, the Hong Kong Synod of the Lutheran Church and its Canadian counterpart will sponsor ministers wishing to serve in Vancouver and Toronto, cities with fast expanding Chinese communities.

The Hong Kong and Canadian synods will jointly pay relocation costs and salaries for those taking part in the scheme.

The first batch of four pastors could leave for Canada as early as next year, according to the Reverend Allan Yung, the general executive secretary of the Hong Kong Lutheran church.

Fears about religious and political freedom after 1997 were some of the reasons behind the plan.

"If the situation turns bad for Hong Kong, the church may have to reduce its activities; it all depends on the political development," said Mr Yung.

There were about 400 Lutherans among recent emigrants to Toronto and Vancouver and more ministers would be needed to cater for the growing Chinese communities over the next decade. Toronto has a Chinese community of about 300,000 and Vancouver has about 120,000.

Talks on the feasibility of the scheme between the local and the Canadian churches began earlier this month.

A similar scheme has already begun for Australia. Within the next few months, one pastor will go to Sydney with another leaving for Melbourne next year.

Local priests who are called to overseas service will be granted right of abode there almost immediately, says Mr Yung.

The Lutheran church is the first Hong Kong Protestant church to offer a formal channel for clergymen to emigrate, but clergymen from other churches could also take advantage of similar arrangements if they were given ministry overseas.

Mr Yung said the church was aware the proposal provided a short-cut for clergymen wishing to emigrate.

"But we are considering some form of checks, such as requiring them to sign a contract that would force them to return to Hong Kong if they left the service prematurely or if their performance was unsatisfactory," he said.

A clergyman who joins the scheme will have to serve in Canada for at least seven years. So far, four Lutheran priests have expressed an interest.

The Lutheran church has seen about 20 pastors move to North America over the past 15 years, which represents almost half of its present strength.

More than 300 church members have also moved to Canada and the United States in the past five years. The predominantly professional and middle class congregation of the Lutheran church in Hong Kong has about 10,000 adult members.

Under the scheme, the local Lutheran church will pay the salaries of pastors—\$400,000 a year for the first three years. They are expected to be self-supporting by the fourth year.

The Canadian church, on the other hand, will provide for church buildings and other supportive services.

Candidates for the scheme are required to speak English and Chinese, preferably both Cantonese and Mandarin, to cater to the need of the new immigrants from Hong Kong and Taiwan, as well as their second generations.



**Fears Over Second Daya Bay Plant Expressed**

HK0104045989 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Apr 89 p 2

[From Carol Lai in Beijing, S.Y. Wai, and Daphne Cheng]

[Text] Concern grew in Hong Kong yesterday over China's ability to build two nuclear plants at Daya Bay without outside involvement.

Work on a second nuclear power plant at Daya Bay, where a \$28.8 billion station is already under construction, could begin as early as next year, a senior Chinese nuclear official announced in Beijing yesterday.

If everything goes smoothly, the two 1,000-megawatt reactors proposed for the second plant could become operational in 1995—three years after the scheduled commissioning of the Daya Bay nuclear power plant, he said.

The Sino-Hong Kong advisory committee on the safety of the Daya Bay plant would be allowed to extend its monitoring role to the second plant. But the executive director of the environmental pressure group, Friends of the Earth, Miss Linda Siddall, described the plan as "horrifying".

She said China's plan to construct a plant without outside help would add to worries over nuclear safety because China lacked the relevant experience.

"We have been objecting to the first Daya Bay plant since 1983 and the second plant will be doubling all the risk with China's poor track record in construction and industrial safety," she said.

The proposal was also attacked by Hong Kong's anti-nuclear power lobby, the Joint Conference for the Shelving of the Daya Bay Plant, which plans to hold a weekend press conference on the issue.

Mr Jiang Shenjie, a technical adviser to the Chinese Nuclear Industry Development Corporation, said the Guangdong Water Conservancy and Power Department was conducting a feasibility study on the planned \$23.4 billion project.

He said the study, which would include contingency and safety aspects of the project, would be completed in three months and construction would begin in a year if the State Council gave the plan the green light.

Mr Jiang said that a second power plant at Daya Bay would not compromise safety, though the two installations could merely be "tens of metres" apart.

He dismissed the need for additional contingency measures and added that evacuation in the event of a major nuclear mishap would only be necessary within a 30 kilometre radius of the site.

"The distance between two plants does not matter. What matters is whether there will be access between them," he said.

He added that international nuclear safety standards did not stipulate the minimum distance between two nuclear power plants. Some cities overseas had up to eight such plants in close proximity.

Mr Jiang said China would manage the second plant and he did not rule out the possibility of having the participation of foreign consultants.

Meanwhile, a member of the Daya Bay Nuclear Power Station Nuclear Safety Consultative Committee cast doubts about China's ability to build a nuclear power station without overseas involvement.

Dr Raymond Yeung Mank-kit, a University of Hong Kong lecturer in mechanical engineering, said the committee had learned from Chinese officials through informal discussions about the proposal.

But he said committee members did not know a second plant would be built in Daya Bay alongside the existing one.

"We are talking about experience and experience is not something that can be accumulated overnight.

"China definitely has no experience in building large-scale 1,000 megawatt nuclear reactors and they may not know how to handle the project," Dr Yeung said.

The committee was set up last August by the Guangdong Nuclear Power Joint Venture, which oversees the existing project, to advise the company on the safety of the plant.

**Bill of Rights Said 'Intellectual Bankruptcy'**

HK0104070289 Hong Kong Commercial Radio  
in English 0445 GMT 1 Apr 89

["Letter From Hong Kong" by Stuart Wolfendale]

[Text] A week last Thursday, in London an unfortunate conjunction of events occurred which, you could not be blamed for thinking, won some sort of cup for barefaced cynicism. Sir Geoffrey Howe told a parliamentary select committee, in very parliamentary language, that "Satanic Verses" had better chances of being stocked by the Tehran public library than the three and a bit million Hong Kongers had of being given the right to reside in Britain.

In the House of Lords, that sadistic jailer of syntax and clear thinking, Lord Glenarthur, in a spurt of double-breasted zeal, went even further. They asked him if Hong Kong widows of the war dead, all of about 10 of them left, by the way, could be made British citizens, just in case the going got rougher for them than it had already been. The good lord, more in the tradition of a Prussian junker than a British aristocrat, explained the rules have it that spouses of ex-servicemen could become British citizens only after living in Britain for 5 years.

The brutal flaw in the noble lord's regulation is that the husbands they might normally have expected to live there with have long been fulfilling the injunctions of the Book of Common Prayer, and going to dust under green swards in Stanley. The ladies themselves are of an age when every day is a bonus issue. They don't have the time or the resources to start qualifying for things. The British Government, terrified that one tiny exception will be an advance guard lemming, seems to sense the decaying of the flesh, and circles with its rules, waiting.

Much has been said about the nationality issue, and much more will be, even though it seemed to me to have the coffin lid firmly laid down on it that Thursday. I shall always be asking why the outrage about British nationality laws has come so impossibly late from those deeply concerned, when they have been clearly in the making since 1962 and were given their final polish as long ago as 1981. History will record that after half the plains of North India settled in its major cities, the British crown hardened its heart to its lingering Chinese subjects and consigned them in woolly words and perfidious pragmatism back to their homeland.

The legacy of that perfidy will continue to embarrass occasionally for another generation, as Hong Kongers travelling on their British Overseas National [BNO] card bounce and stumble off disbelieving immigration officers. The Hong Kongers should know too about this vaunted consular protection that they are supposed to be getting with the BNO. Foreign Office officials are notorious for believing that persons who do not enunciate too precisely the same vowel lengths as they do should not be travelling anyway. Persons of that type who also get into trouble are really quite unspeakable, and obstruct friendly relations between Her Majesty's Government and the local ruling murderer.

It was against this background of Anglo-Hong Kong fraternity that a picture appeared in the same day's newspaper of the newly founded Anglo-Hong Kong Trust, lined up at Lancaster House. In it were British businessmen of the sort who are always praising the hardworking and industrious people of Hong Kong from Mandarin [Hotel] windows or VIP lookouts over Shatin. There were some Hong Kong businessmen, too, who I sincerely hope were not there for any other reason than that a fast buck out of the Ying Kwok Yan [Cantonese for British] is in the offing. There were government

ministers like Glenarthur and Trade Minister Lord Young, a shifty piece of political work who might be caught in off moments pulling his grandmother's gold teeth.

The Trust is obviously something of the rich, by the rich, for the rich. That much-pestered man on the top of the Shauiwan tram need not bother to look up from the racing pages for this one.

News has it that they plan to endow a school of business at the Hong Kong University. Opening a business school amongst the Cantonese must be rather like giving horse-riding lessons in Outer Mongolia. Still, it's a harmless gesture, thrown away to the Commonwealth, leaving the Trust to get on with the manipulation of money and self-congratulation. Its formation, almost at the very moment Britain rebutted nationality claims for the Hong Kong people is a crystal demonstration of how, in the eyes of Britain and big business, Hong Kong has always been seen as a commercial enterprise, quite divorced from, quite separate from, unconceiving of any serious notions of constitutional development or reform.

It was from that cramped and unhappy little quarter that quite the most shocking development came that Thursday. Sir Geoffrey Howe announced that the government was considering a bill of rights. I was forced to observe back in 1984 that Hong Kong was the first case in recorded history of a sovereign power that was going to commit suicide and gave 13 years notice of its intention. The notice period was not going to be easy, I thought, and it has not been. The constitutional gropings of the British that have gone on have been wimpish to the point of indecency.

The British are only preserved from the political ruins they find themselves smoking in by the naked success, up to now, of the traditional and purely commercial Hong Kong. Local people are being mute over the political ineptness of the British on their behalf only because the sun is shining and there's hay out there to be made. If it starts to rain, things could turn nasty.

The British Government has sworn blind oaths over three successive bundles of paper, as a senior Chinese official felt free to describe them as the other day. Each one they have sworn protects rights, liberties, the law, and eternal night racing at Shatin. The first was the joint agreement, which the People's Republic publicly contorts so often now it has become a circus act. Guilty about that, I suspect, the British themselves introduced the second: The idea of representative government. God again knows why, because nobody expected it of them, for the simple reason that the British never in their colonial hearts really conceived of Hong Kong or believed in Hong Kong in those terms. The result is that after 5 years, the passage of a great deal of wind and water, there is still no popular enfranchised representative sitting on the Legislative Council.

The PRC, hurriedly throwing dust sheets of discouragement over the whole notion, have contrived the third, the Basic Law. It's very basic, its English inept, and very unlegal. Its provisions hark back at their most basic for justification to the National People's Congress, which is at least in matters of this kind a rubber stamp for the Politburo. The British swore on this Basic Law, too. Howe, to his eternal appeasing shame, said the Basic Law itself contains explicit provisions on human rights. So, too, does the Chinese Constitution. There's one in a box somewhere off Tiananmen Square. It bristles with whistles and bells of liberty; prudently, though, it's rarely invoked in case it wears out from overuse.

British policy on the constitutional safety of the 3 million of Her Majesty's subjects who are to be left to fend for themselves has always been, make it up as you stumble along. And that week last Thursday they were feeling guilty again. Not much, but a bit, hence, now, document number four to be sworn over, a bill of human rights. Sir Geoffrey trotted out to the committee that there were of course steel-thick protection of liberties in the Basic Law, the Hong Kong law—another new, desperate throw, that one—and the collected works of Beatrix Potter, just as there has always been. It was just that, to quote him, if Hong Kong wished to localize it and put it explicitly in a bill of human rights, then as I understand it, there would be no objection to that.

"As I understand it, no objection to that." The preposterous vapidness of those tired, defeated words will stay with me for a long time.

Bills of rights are not optional panaceas. In historical terms, the ones that mean anything, like the great American one in her constitution, the British one embodied in the act of 1689, were all fought for with intemperate passion, unshakeable belief, and varying degrees of violence, up to the point where even the most predatory, most popular politician trembles at the consequence of tampering with their provisions.

Sir Geoffrey is an intelligent man. He can't but be aware of the thrall in which future Chinese Governments will be held over an officially contrived document modelled perhaps on "We're Pitching In" [Hong Kong antilitter drive slogan], whose only inspiration was that Sir Geoffrey understood there would be no objection to it.

I love the term "moral bankruptcy." The British filed for it over Hong Kong quite early on. With the bill of human rights, they have gone for intellectual bankruptcy too.

The last duty that the United Kingdom can perform here is that of doorkeeper to keep the door ajar long enough for those Hong Kong people who feel they must establish themselves in those nations which will take them. But for that, you might wish for the British, as they must almost wish for themselves, that they could just go, now.

#### **Sino-British Land Commission Meets**

OW2903224189 Beijing XINHUA in English  
1603 GMT 28 Mar 89

[Text] Hong Kong, March 28 (XINHUA)—The 17th meeting of the Sino-British Land Commission was held here today.

A press release issued by the commission said the two sides agreed that the land disposal program for the 1989-90 financial year should amount to 78.26 hectares.

It includes 28.04 hectares for commercial, residential and industrial developments, 19.19 hectares for home ownership, private sector participation schemes and village housing, 22.11 hectares for public utilities, educational, welfare, religious, recreational and other uses and 8.92 hectares for special requirements.

An additional five hectares is set aside in a supplementary land disposal program. The land commission will decide during the year on the amount of land to be released from the supplementary program in the light of demand.

#### **Basic Law Exhibition Opens in Hong Kong**

OW3003050289 Beijing XINHUA in English  
1600 GMT 28 Mar 89

[Text] Hong Kong, March 28 (XINHUA)—An exhibition on the draft Basic Law of the future Hong Kong Special Administrative Region opened here today as one of the major publicity and promotion activities in the second consultation exercise on the law.

T.K. Ann, chairman of the Consultative Committee for the Basic Law (CCBL) which organized the exhibition, said at the opening ceremony that "according to our program this year, there will be a comprehensive promotion while consultation will be carried out with emphasis on specific areas."

The emphasis of the second consultation exercise is on issues still being debated and issues which newly emerge, T.K. Ann added.

As for the publicity and promotion of the Basic Law (draft), he said, relevant documents have been made available to the public since the publication of the draft law. A total of 460,000 Chinese and English copies of the draft law have been distributed, in addition to 270,000 copies of reference papers.

Through the help of the Society for the Blind, Chinese and English copies in Braille as well as cassette tapes have been produced. Airmail edition of the Basic Law (draft) has also been prepared for distribution in Australia, Britain, Canada, the Netherlands and the United States among those interested in the law, Ann said.



Starting from today, the itinerant Basic Law exhibition will be held at five venues at the Hong Kong Island, Kowloon and the New Territories one after another in the coming six weeks.

To enhance the effect of the publicity drive, booklets which highlight the major contents of the draft Basic Law in depth yet in simple terms have also been published and 900,000 copies of such booklets were distributed.

**Economic Ties with Mainland Said Strengthened**  
*OW0104101189 Beijing XINHUA in English*  
1625 GMT 30 Mar 89

[Text] Hong Kong, March 30 (XINHUA)—A new situation of mutual cooperation has emerged in the economic linkage between the mainland and Hong Kong as a result of China's reform and opening policy in the past decade, the situation is favorable to the economic growth of both.

This was stated in an article carried by the April 1 issue of the Hong Kong-Macao economic quarterly.

The article by the economic research division of the Hong Kong-Macao regional office of the Bank of China, quoting statistics released by the Hong Kong Government, notes that total volume of Hong Kong-mainland trade between 1979 and 1988 saw an annual average increase of 38.8 percent, whereas the annual growth rate in the past 30 years from 1949 to 1978 was only 11.7 percent.

As from 1985, the mainland had become the largest trading partner of Hong Kong. Hong Kong-mainland trade volume had accounted for over one-fourth of the respective sides' total trade volume.

Over the past decade, of the total foreign investment on the mainland, the largest proportion was provided by Hong Kong businessmen. By the end of June 1988, the number of approved mainland enterprises with foreign investment amounted to 12,109, including 6,600 with investment made by Hong Kong firms, whose investments made up 65 percent of the total foreign investment.

Meanwhile, the mainland has also invested large sums of money in Hong Kong institutions. Such mutual investment is one of the important factors conducive to development of both the Hong Kong and mainland economies, the article said.

Beginning in early 1980s, it adds, a large number of Hong Kong firms have moved northward to the mainland. According to statistics released in Guangdong, in the Zhujiang Delta alone, there are 15,000 enterprises employing millions of people involved in the procession of materials supplied from overseas and parts brought in by foreign investors, or in the production of parts according to blueprints provided for by foreign investors and in compensation trade.

The mainland is a productive base for Hong Kong in the interior part, while Hong Kong is a center for receiving orders, supply of materials, the designing and promotion of products, the article points out, thus the mainland's rich land and labor resources are combined with Hong Kong's quick access to information and extensive foreign trade channels, making the products more competitive.

The most important feature of development over the past decade is that the mainlanders regard Hong Kong as a major base to raise funds for its construction while banks in Hong Kong regards the mainland as a huge market for extending loans and credits.

By the end of last September, the banks and deposit companies in Hong Kong had provided the mainland enterprises with an accumulative total of 34.5 billion Hong Kong dollars of loans and credits, an increase of 87 percent compared with the accumulative total up to September 1987, the article says.

Latest statistics show that from 1985 to 1988, over 80 percent of the 8.3 billion U.S. dollars of syndicate loans for projects in the mainland were arranged by Hong Kong financial institutions, it adds.

At the same time, many banks in Hong Kong have set up Chinese business departments. Some local banks have established branches, representative offices, and financial agencies on the mainland.

The article says that the outstanding feature in the Hong Kong-mainland economic cooperation is complementing each other and tapping each other's advantages; the cooperation is thus vigorous and full of vitality.

However, there are also factors conditioning the development of the cooperation, the article notes. As a small, economically opened area, the Hong Kong economy will be largely affected by the world economic situation, how the world economic situation develops will have great impact on its economy, it says.

It adds that since the latter half of 1988, the mainland has begun rectifying its economy and improving its economic environment. There might be some temporary effects on bilateral economic cooperation, but once the rectification is completed, the conditions for bilateral cooperation will be further improved and the pace of development in the cooperation accelerated.

**Macao**

**Joint Liaison Group To Begin Talks in Lisbon**  
*HK0304015789 Hong Kong SOUTH CHINA*  
*MORNING POST in English 3 Apr 89 p 6*

[From Adam Lee in Macao]

[Text] The location of the civil service and the status of the Chinese language will top the talks of the Sino-Portuguese Joint Liaison Group (JLG) beginning in Lisbon today.

Topics to be discussed during the fourth meeting will also include the localisation of laws and the participation of Macao in International organisations.

Sources close to the Sino-Portuguese JLG said the meeting would last two or three days.

It is understood there has been three working sessions by Portuguese and Chinese officials since the last meeting in Macao in February to work out the place and agenda for today's session.

China was reported to have preferred that all future JLG meetings be held in Macao, but the Portuguese said the meetings should be held in Lisbon, Beijing and Macao in rotation.

A source said the fifth meeting of the JLG would be held in Beijing in the summer.

Meanwhile, Guangdong Governor Ye Xuanping will visit Macao at the end of the month.

Director of the NEW CHINA NEWS AGENCY in Macao, Zhou Ding, said Governor Ye would meet Macao Governor Carlos Melancia and leaders of the Chinese communities during his visit.

**Businessman Discusses Mainland Business Ventures**  
*OW3103113789 Beijing XINHUA in English*  
*1035 GMT 30 Mar 89*

[Text] Shenyang, March 30 (XINHUA)—Unlike other foreign-funded enterprises in Shenyang, capital of northeast China's Liaoning Province, the Fulihua Food Co. Ltd, a mainland-Macao joint venture, has created a unique form of joint management.

Macanese General Manager Shi Qingyong said that his experience was that "the enterprise must be contracted to either side of the cooperative partners." This, he said, will solve the problem of the company's low efficiency and the unclear authority over decision-making.

Shi said that after six months of talks with Yang Qifan, his cooperative partner, they reached an agreement that the company would be contracted to the Macao side.

"I've got enough decision-making power in the company now," said Shi.

Yang, also deputy director of the Shenyang No 1 food factory, is now the company's deputy general manager. He said that his responsibility is "to coordinate with Shi's work." So, he added, he does not have to interfere in the company's daily work.

Since its opening eight months ago, the company has promoted several dozens of kinds of high-grade Western-style pastry, which are very popular in the Shenyang market.

Shi said that he has contracted other food companies in Beijing and Harbin, capital of northeast China's Heilongjiang Province. However, he added, it is more difficult for people from Hong Kong and Macao to do business there because they are not familiar with northern China.

Fulihua is the seventh joint-venture which Shi has started on the mainland.

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